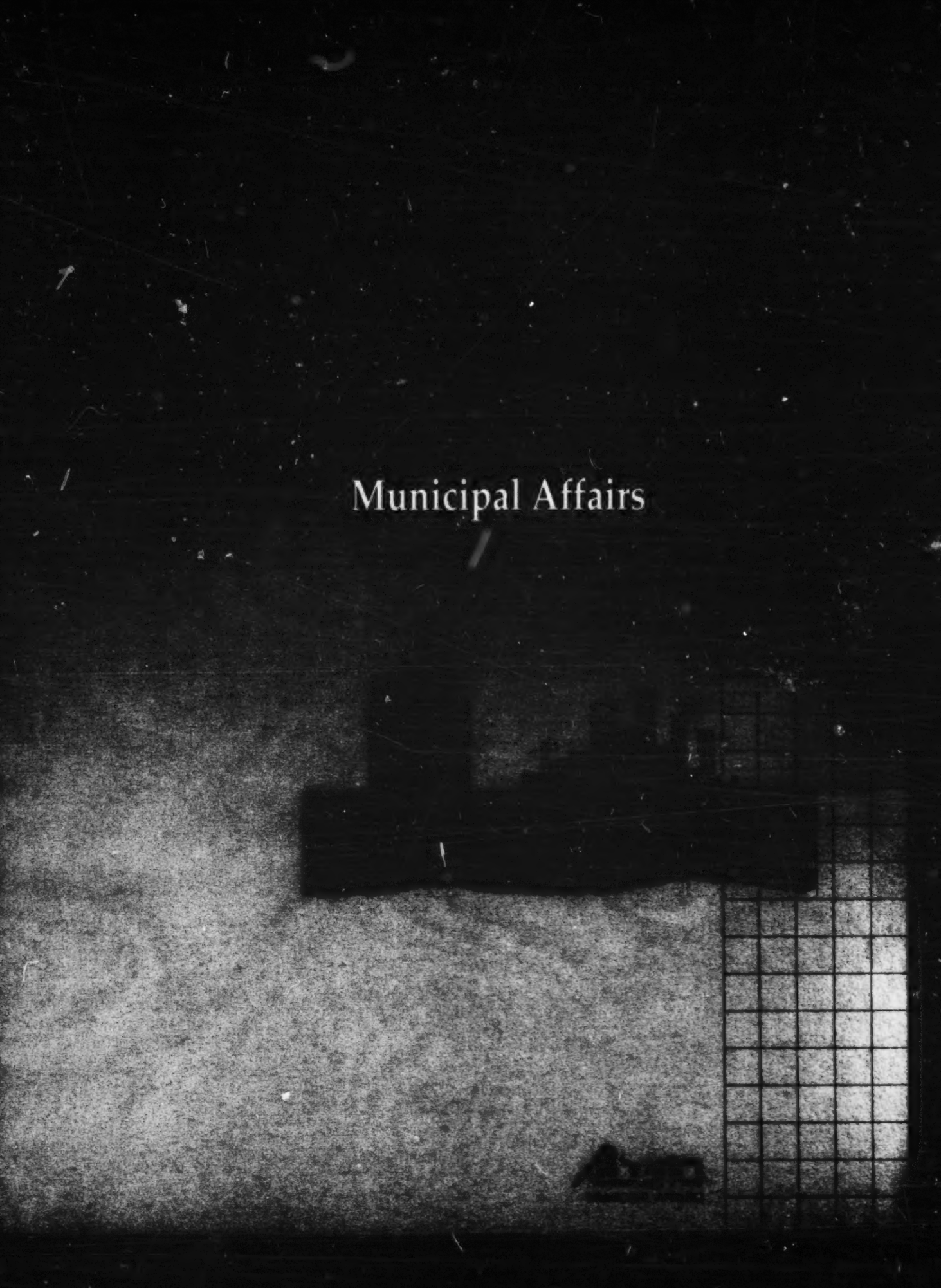
Municipal Affairs



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Alberta
MUNICIPAL AFFAIRS

Office of the Minister

127 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-3744

March 1991

The Honourable David Carter
Speaker of the Assembly

Dear Sir:

We have the honour to submit the Annual Report of Alberta Municipal Affairs for the fiscal year ended March 31, 1990.

Respectfully submitted,

Raymond A. Speaker
Minister of Municipal Affairs

Ken Rostad
Attorney General and Minister Responsible for Native Affairs

Alberta
MUNICIPAL AFFAIRS

Office of the Deputy Minister

CityCentre, 10155-102 Street, Edmonton, Alberta, Canada T5J 4L4 403/ 427-4826

March 1991

Honourable Raymond A. Speaker
Minister of Municipal Affairs

Honourable Ken Rostad
Attorney General and
Minister Responsible
for Native Affairs

Dear Sir:

I take pleasure in presenting to you the Annual Report setting out the activities of Alberta Municipal Affairs for the fiscal year ended March 31, 1990.

Respectfully submitted,

Archie R. Grover
Deputy Minister

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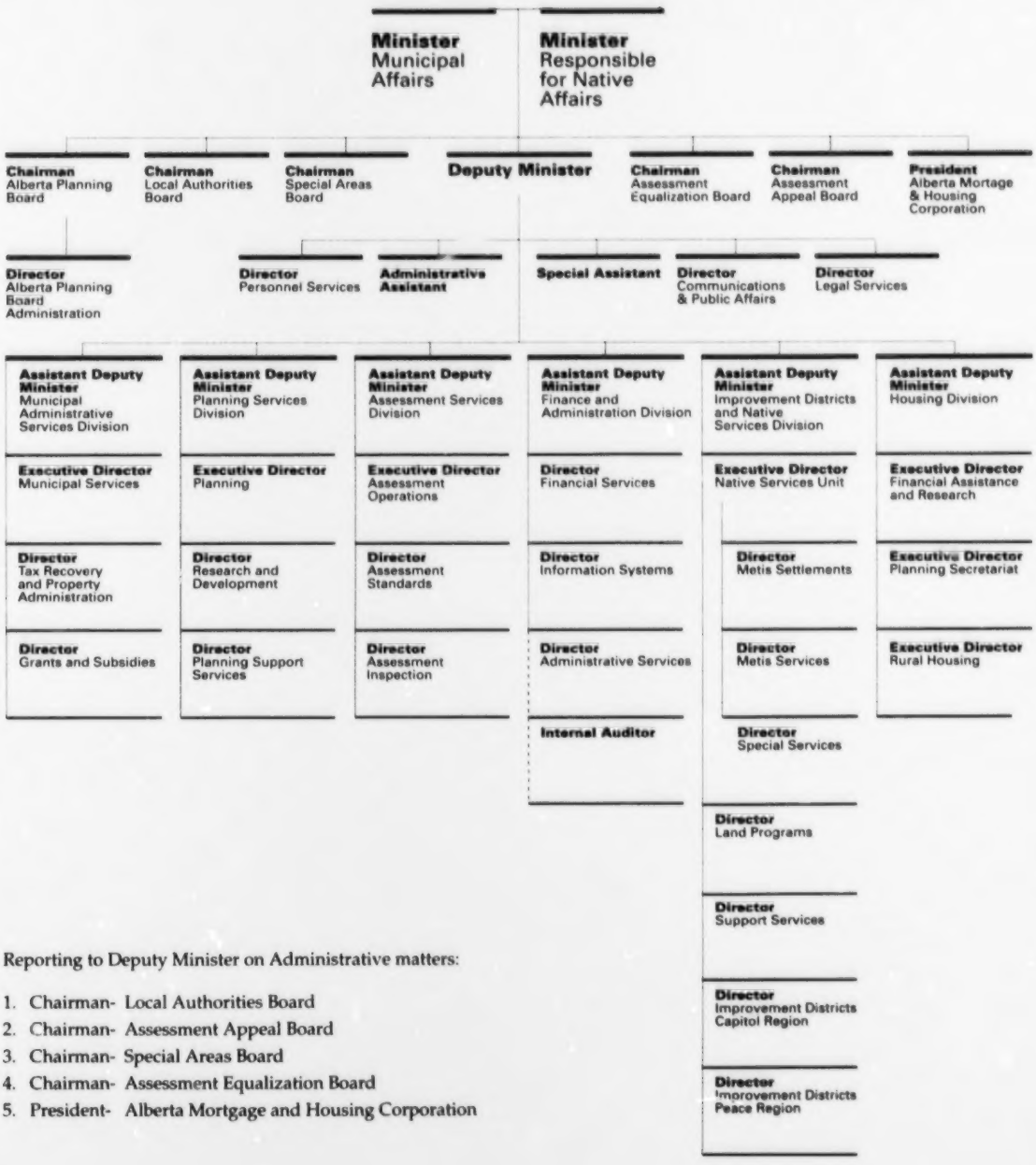
Municipal Affairs Organizational Structure, March 31, 1990

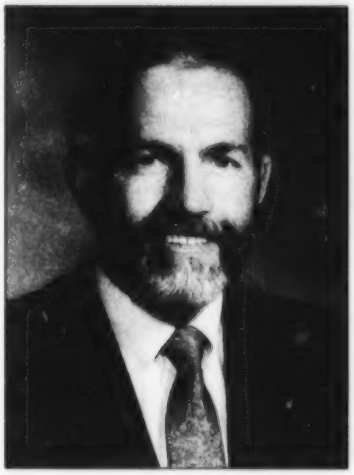


Reporting to Deputy Minister on Administrative matters:

1. Chairman- Local Authorities Board
2. Chairman- Assessment Appeal Board
3. Chairman- Special Areas Board
4. Chairman- Assessment Equalization Board
5. President- Alberta Mortgage and Housing Corporation

Municipal Affairs Ministers and Executive Committee

Hon. Raymond A. Speaker



Hon. Ken Rostad

Archie R. Grover

Executive Committee

Archie R. Grover, Chairman

Tom Forgrave

Rene G. Gagne

Robert S. Leitch

William K. Mann

Dennis C. Surrendi

Jack G. Thomas

Gillian Garner

Stanley A. Juniper

William J. Nugent

Al J. Suelzle

Acts Administered by Alberta Municipal Affairs

Agricultural Relief Advances Act

Alberta Mortgage and Housing Corporation Act

Assessment and Equalization Act

Assessment Appeal Board Act

Border Areas Act

Calgary-Canadian Pacific Transit Agreement Act

Calgary (City of) and Calgary Power Agreement Act

Calgary (City of) and Calgary Power Ltd. Agreement Authorization Act, 1972

Calgary Exhibition and Stampede Limited (An Act to Authorize and Permit the City of Calgary to Enter into a Certain Lease With)

County Act

Crowsnest Pass Municipal Unification Act

Department of Municipal Affairs Act

Edmonton (City of) and Calgary Power Ltd. Agreement Validation Act

Edmonton - Meadowview Agreement Act

Electric Power & Pipeline Assessment Act

Equalization Act

Improvement Districts Act

Lloydminster Municipal Amalgamation Act

Local Authorities Board Act

Local Authorities Election Act

Local Tax Arrears Consolidation Act

Lomond, An Act Respecting the Village of

Medicine Hat (City of) Gas Purchase Act

Medicine Hat Power Plant Extension Act

Metis Betterment Act

Metis Betterment Act Restoration Act

Mewata Park Enabling Act

Municipal & Provincial Properties Valuation Act

Municipal & School Administration Act

Municipal District of Bighorn No. 8 Incorporation Act

Municipal District of Clearwater No. 99 Incorporation Act

Municipal District of Cypress No. 1 Incorporation Act

Municipal Government Act

Municipal Tax Exemption Act

Municipal Taxation Act

Municipalities Assessment & Equalization Act

New Towns Act

Northeast Alberta Regional Commission Act

Planning Act

Property Tax Reduction Act

Regional Municipal Services Act

Senior Citizens Housing Act

Smoky Lake (Town of) Gas Utility Act

Special Areas Act

Tax Recovery Act

Water Resources Commission Act

Deputy Minister's Report

Archie R. Grover, Deputy Minister

I am taking advantage of this opportunity to highlight the accomplishments of Alberta Municipal Affairs during the 1989-90 fiscal year.

The depressed economies of smaller communities have long been a concern to government. As a step in the process of revitalization, Alberta Municipal Affairs introduced a new strategy, the Local Development Initiative. Smaller communities will be encouraged to promote their own economic development while government will offer appropriate programs and legislative support. In addition, the department provided data and research, assisted with the collection of public input, and organized relevant interdepartmental committees.

Five housing programs announced in the previous fiscal year were put into effect in the current reporting period. During this fiscal year, almost 64,000 applications, with a value of $13 million, were approved under the Alberta Mortgage Interest Shielding Program and more than 16,000 applications were approved under the Alberta Family First-Home Program to a value of $4.7 million.

The three other new housing programs which commenced January 1, 1990, will also provide substantial benefits to Albertans. The Seniors' Independent Living Program provides grants for home repairs or improvements, the Seniors' Emergency Medical Alert Program helps seniors obtain medical alert units, and the Enhanced Home Adaptation Program is designed to aid wheelchair users.

Meanwhile, the review of housing options for seniors continued through the pilot phase of the garden suite project.

The federal Goods and Services Tax raised questions and concerns in Alberta's municipalities. During the year, the department evaluated the effects of the tax on municipal operations and prepared seminars to assist local authorities in implementing the new tax regime.

During the year, the Alberta/Metis Settlements Accord was signed. Its components provide for the constitutional protection of Settlement lands, the development of local government structures and systems, provincial financial commitments, and the co-management of subsurface resources.

The Municipal Statutes Review Committee continued its work on legislation that will carry Alberta municipalities through the 1900s and into the 21st century. Specifically, work began on rewriting the Municipal Government Act. This process includes using consultation input from the public.

In October, 1989, Alberta was the first province to elect a senate nominee. Because the process was undertaken in conjunction with general municipal elections, the department was very much involved in all phases of the election process.

On January 1, 1990, the Town of Banff was incorporated; it is the only municipality incorporated inside a national park in Canada, and the only Alberta municipality situated entirely on leased land.

The concept of municipal insurance pooling moved one step ahead. The operational plan for a reciprocal insurance exchange was presented to the annual conventions of municipal associations and subsequently ratified.

More than 20 amendments to the Subdivision Regulation were approved by the Lieutenant Governor in Council. The main purposes of the changes were to further the provincial objective of deregulation and to introduce a new "fast-track" approval process for certain types of subdivision applications.

The Municipal Affairs Property Assessment System (MAPAS) microcomputer-based assessment system is now in use by 36 municipalities. It combines the residential and farm land valuation systems with a master file component to provide a municipal assessment roll.

These are the highlights. They form part only of the department's success in meeting its extensive and important mandate to assist Alberta's people and municipalities. Much of this assistance is financial. For instance, in the 1989-90 fiscal year, municipalities received $258 million to support programs as well as administrative and other costs; individual Albertans benefited from $116 million through just two programs: Property Tax Reduction Program and Senior Citizens' Renter Assistance.

The body of this report represents details of the department's work and accomplishments during 1989-90. There is much to be proud of, yet much still to challenge us in the years ahead.

Office of the Deputy Minister

Archie R. Grover, Deputy Minister

The Deputy Minister is the chief executive officer responsible for the administration, coordination and control of all line and staff functions of Alberta Municipal Affairs.

Legal Services

The Solicitor's Office is located in the department's head office in Edmonton, but is staffed by a lawyer from the Alberta Attorney General's department. The office provides legal services to Alberta Municipal Affairs and its associated boards. These services include the following:

- Legal advice and written opinions, usually related to legislation administered by Alberta Municipal Affairs.
- Review and preparation of documents, including contracts required by the department.
- Court appearances, where required, on behalf of the department, including representation before the courts on behalf of the Alberta Planning Board, the Alberta Assessment Appeal Board, and the development appeal boards in the improvement districts.
- Review of proposed legislation and revision of existing legislation.
- Participation in special projects.

Personnel Services Branch

The role of the branch is to assist managers to maintain a qualified, productive and stable work force in the department.

During the 1989-90 fiscal year:

- 183 competitions were conducted,
- 403 classification transactions were completed, and,
- 15 employees were transferred for career development purposes.

Activity Highlights

- *Assistance was given to the Housing Division in the organizational, recruitment and classification activities needed to implement new housing programs.*
- *Assistance was given to the Improvement Districts and Native Services Division during its organizational review.*
- *The Administrative Support Series Review was completed. This involved classification review of 375 positions in the department.*
- *The government-wide Workplace Hazardous Materials Information System was put into effect throughout the department.*
- *Payroll units were reorganized.*
- *Performance appraisals and information updates on training, development, and position descriptions were automated.*
- *Wage payroll training was given to staff in two divisions: Housing, and Improvement Districts and Native Services.*

Communications and Public Affairs Branch

The branch provides internal and external communications and public relations services to the department and its associated boards. The professional public relations staff is seconded from the Public Affairs Bureau; support staff are employees of the department.

Branch services include the following:

- Advice on public relations matters to all levels of staff in the department and its associated boards.
- Liaison with the news media.
- Coordination of the department's activities for advertising, print, graphic, display, and audio-visual programs.
- Communications research.
- Publishing "Municipal Counsellor", a magazine on municipal affairs distributed outside the department.
- Publishing internal staff newsletters and notices.

Assessment Services Division

Rene G. Gagne, Assistant Deputy Minister

The mandate of the division is to ensure that property tax assessments are equitable throughout the province. This function is carried out by the division's three branches:

- Assessment Operations
- Assessment Standards
- Assessment Inspection

Significant among the year's activities were continued initiatives in the introduction of rural tax reform, in the automation of assessment administration, and in the education of assessors.

Rural tax reform: The Rural Assessment Policy was expanded from four to nine municipalities. Adoption of the policy was made easier in certain instances when municipalities were allowed to complete their general assessments by indexing existing assessments. Previously, assessments were made through the reinspection and revaluation of all property.

Automation of assessments: By the end of 1989, assessments for 36 municipalities were being made on the Municipal Affairs Property Assessment System (MAPAS), introduced last year. MAPAS enables municipalities to adopt current value assessment and update their assessed values on an annual basis.

Education of assessors: Three workshops were added to the Assessment Training Project, which offers continuing education to assessors. The project is jointly administered by the division, the Alberta Assessors' Association, and Local Government Studies at the University of Alberta.

Assessment Operations Branch

The branch provides property assessment services to municipalities as required by the Municipal Taxation Act. Also, it provides assessment services for properties that are assessable under the Electric Power and Pipeline Assessment Act.

The branch consists of the head office in Edmonton, nine regional offices, four regional sub-offices, and an Industrial Assessment Section.

As can be seen in Table 1 on the following page, the value of building permits in 1989 was $794 million. This was approximately half of the $1,449 million in 1988. Nonetheless, 1989's total was considerably higher than the $573 million recorded in 1987.

The table also compares business statistics for 1988 and 1989 that relate to assessment operations.

Industrial Assessment Section

The section's function is to carry out assessments of different types of industrial property.

Under the Municipal Taxation Act, the section carries out assessments of oil and gas properties and specialty plants in municipalities. Under the Electric Power and Pipeline Assessment Act, it carries out province-wide assessments of wells, flowlines, pipelines, electric power and cablevision properties. Alberta Government Telephones properties are valued under the Municipal and Provincial Properties Valuation Act.

The section's industrial assessors provide expertise, as required, to other assessors and municipalities.

Table 1

Assessment Operations Branch
Business Statistics, 1988 and 1989

	1988	1989
Value of building permits	$1,449,395,645	$793,959,303
General assessments		
Completed or in process	50	58
Refused	29	65
Municipalities exceeding 7-year limit	35	41
Annual assessments completed	296	265
Population in municipalities served by the branch	618,282	563,302
Total number of parcels	543,146	512,912
Appraisals	2,757	79*
Annexations	17	21
Oil and gas well zones	97,327	99,534
Kilometres of flowline/pipeline	164,041	166,055

* *Does not include appraisals for Alberta Public Safety Services*

Regional Offices

The nine regional offices are located in Lethbridge, Medicine Hat, Calgary, Red Deer, St. Albert, Stony Plain, Bonnyville, Grande Prairie, and Peace River. The four regional sub-offices are located in Hanna, Leduc, Edson, and Wainwright, and come under the regional management, respectively, of Medicine Hat, St. Albert, Stony Plain, and Bonnyville.

Each office is responsible to various municipalities within its area for the assessment of urban and rural properties. Urban properties include residential, commercial, and light industrial improvements; and non-farm or market valued lands. Rural properties include farm land parcels and rural residences.

Regional offices and sub-offices may also accept assessment responsibilities for those oilfield and plant properties not assessed by the Industrial Assessment Section.

Regional offices provide consulting services to private assessors employed by municipalities. Also, these offices are at times involved in projects for the Public Trustee, and they assist Alberta Public Safety Services in disaster situations.

General assessments, by statute, have a maximum life of seven years. However, as recorded in last year's annual report, in times of economic change it is desirable to keep assessment values current. To this end, the branch is using computers to effect a procedure that will update property assessments every one to three years.

It is significant that computers are now common in assessment operations in Alberta. Mainframe systems are used in the assessment of oil and gas plant properties, also including well, flowline, and pipeline properties; microcomputers are used in regional offices for the valuation of residences and farm land properties.

Assessment Standards Branch

The branch assists the assessment community through research, systems development training and field activity. In the period under review, energies were concentrated heavily on the Assessment Manual and on the Municipal Affairs Property Assessment System (MAPAS).

Considerable emphasis was also placed on assessor training. Here, the branch continued to work with Lakeland College on its assessor training program. It worked also with the University of Alberta and the Alberta Assessors' Association in the continuing development of the Real Property Assessment and Taxation Citation Program.

Activity Highlights

- *Work continued on a guidebook of recommendations and procedures for use with the Assessment Manual. Also, to increase effective use of the manual, field visits, training seminars and workshops were held for departmental and municipal assessors in Calgary, Edmonton, and Grande Prairie.*
- *Progress was made toward completing the schedules for irrigated farmland to be incorporated into the Assessment Manual. Also, several updates to the dryland portion of the manual were made as a result of its field application in 1988 and 1989.*
- *The branch acted as coordinator when MAPAS was tested at Drayton Valley and Drumheller, and then provided training when the system was introduced for 36 municipalities. Also, the branch introduced data forms for converting existing assessment data to MAPAS.*
- *In total, 48 Court of Revision seminars were held for municipalities.*

Assessment Inspection Branch

The branch provides a review and audit function to enhance quality control of assessments. A key aspect of this mandate is the support made available to municipalities for general assessments. Such support, including benchmarks for municipalities to follow, ensures uniformity in assessment procedures throughout Alberta. Particular support is given to municipalities which employ their own assessors.

An important function of the branch is to assist Alberta Public Safety Services in administering the Disaster Assistance Program. The branch is called on to resolve disputed and controversial claims which need considerable review.

Activity Highlights

- *Assistance was given to five rural municipalities implementing the new Rural Assessment Policy. Priority was placed on ensuring that the public was given an adequate explanation of the new procedure.*
- *Benchmarks established for preparing general assessments were reviewed, particularly in municipalities which employ their own assessors or arrange for contract services.*
- *A program was put in place to monitor the effects of location in the assessed value of residences in the remoter parts of Alberta. The program is intended to ensure the equitable and uniform assessment of all rural residential properties.*
- *Assessors and soil surveyors exchanged knowledge and skills in a pilot for the Alberta Planning Board's Land-Related Information Systems Project. The pilot, aimed at improving the quality of assessment and soil mapping, was carried out by the Board and the Alberta Research Council. The work was done in the four townships around the Town of Morinville where a good variety of soils exists. A similar pilot is planned for the County of Forty Mile in 1990.*

Finance and Administration Division

Robert S. Leitch, Assistant Deputy Minister

The division develops and provides financial, administrative, and electronic data processing services throughout the department. These responsibilities are divided among these branches:

- Administrative Services
- Financial Services
- Trust Fund Services
- Internal Audit
- Information Systems

Administrative Services Branch

This branch was restructured during the year and now comprises four sections: Information and Record Services, Office Services, Purchasing Services, and Accommodation Services. Branch functions, available in more than 70 locations throughout the province, include the following:

- Accommodation and related building services.
- Departmental information line to the public.
- Records management.
- Forms management and administration.
- Purchasing of material, supplies, equipment, furniture.
- Recycling and handling any surplus of fixed assets and furniture.
- Telecommunications.
- Mail and courier services.
- Vehicle administration, parking, security.
- Duplicating and stock advance.
- Risk management and insurance coordination.
- Library and directory services.

Activity Highlights

- *The CityCentre project was completed in January 1990. Begun in 1987, the project consolidated Municipal Affairs staff from four separate buildings in downtown Edmonton into 14,797 square metres of office space on floors 11 to 18 of the new CityCentre building. The space is functionally generic; that is, it can accommodate any department without costly renovations.*
- *Accommodation for five new Housing Division programs was planned and completed.*
- *The Automated Records Information System was implemented for the management of records that have been converted to the departmental filing system.*
- *The library's circulation and acquisition functions were automated. Also, work began on converting the library catalogue to an on-line system. The library houses 14,000 books, 300 periodicals, and archival copies of departmental publications.*
- *The public information line handled 7,522 calls.*
- *Studies were conducted of 161 forms systems and 24 new forms were designed.*

Financial Services Branch

The branch provides accounting and financial management services to the department and its associated boards through these two sections:

- Departmental Accounting and Budget
- Financial Planning, Policy and Procedures

Departmental Accounting and Budget handles accounts payable and receivable of the General Revenue Fund, prepares the department's budget, and controls inventory. During the reporting period, the section was involved with implementing the Alberta Mortgage Interest Shielding Program and the Seniors' Independent Living Program.

The department's expenditures for 1989-90, classified by program, are shown in Figure 1 on this page. These expenditures are compared with those for 1988-89 in Table 2 on the next page.

Financial Planning, Policy and Procedures revises and introduces policies and procedures to meet the requirements of legislation and guidelines concerned with expenditures, receivables, and accounting practices of the General Revenue Fund and the trust funds. These activities are carried out with the direct involvement of program managers.

Figure 1

Departmental Expenditures, by Program, for the fiscal year ended March 31, 1990

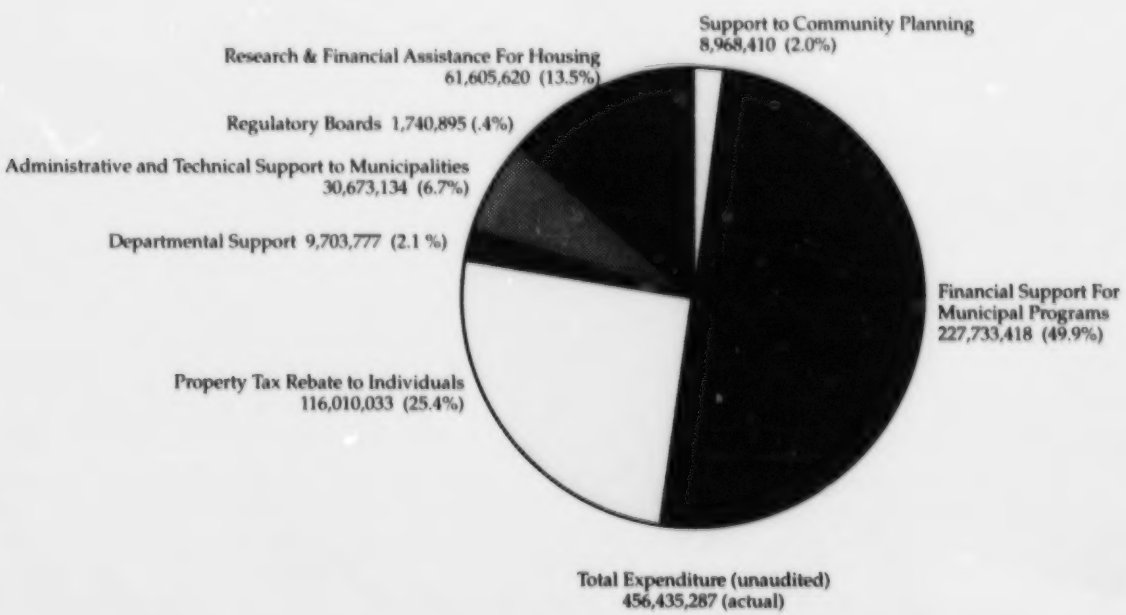


Table 2

Departmental Expenditures, by Program
For the years ended March 31, 1989 and 1990

	1988-89	1989-90
Financial support for municipal programs	$238,591,685	$227,733,418
Property tax rebate to individuals	112,192,808	116,010,033
Research and financial assistance for housing	31,921,342	61,605,620
Administrative and technical support to municipalities	26,118,429	30,673,134
Departmental support	8,224,275	9,703,777
Support to community planning	9,111,363	8,968,410
Regulatory boards	1,629,582	1,740,895
Total Expenditure	$427,789,484	$456,435,287

Trust Fund Services Branch

This branch was created on March 1, 1990, from two sections of the Financial Services Branch: Trust Fund Accounting and Property Taxation. The branch provides accounting, management and advisory services that relate to the following trust funds administered by the department:

- Alberta Planning Fund
- General Trust
- Improvement Districts Trust
- Special Areas Trust
- Metis Population Betterment Trust
- Metis Settlements Trust
- Metis Associations Grants Administration Trust

The branch operates as four sections:

- Improvement Districts Trust Accounting
- Property Taxation
- Special Areas, Planning Fund and Metis Trusts Accounting
- Cash Office

Improvement Districts Trust Accounting handles accounting and financial management services for improvement districts.

Property Taxation prepares and maintains property tax rolls for the improvement districts and special areas; it ensures system integrity for assessment and tax rolls. In addition, the section coordinates user support services and training for the Property Tax Automated and the Local Area Network systems. These systems ensure the accuracy and timeliness of updates, and produce data reports concerning assessment, tax recovery, and property taxes. The section's responsibilities include the following:

- Maintenance of tax and assessment rolls.
- Property tax billing.
- Processing benefits for senior citizen homeowners.
- Reporting and collection of tax receivables.
- Registering tax notifications (caveats).
- Issuing tax certificates.
- Responding to enquiries from the public.
- Training district office staff on procedures.
- Coordinating user needs for computer systems.

Special Areas, Planning Fund and Metis Trusts Accounting handles accounting and financial management services for the trusts named.

The Cash Office ensures that all cash collected for all trusts and for the General Revenue Fund is deposited in a timely manner and is properly accounted for. The section also ensures proper processing of expenditure and revenue funds.

Activity Highlights

- *The Trust Fund Accounting System was converted from a minicomputer to a microcomputer configuration, using the new Municipal Package. The system will provide financial data and reports on-line to district offices.*
- *Through implementation of the Municipal Package, all property taxation data was transferred from a mainframe to a microcomputer configuration.*
- *New systems were introduced for two trusts: The Mineral Surface Lease Receivable System for the Metis Population Betterment Trust, and the Lease Rental Accounts Receivable System for the Special Areas Trust.*
- *Accounts receivable for the Alberta Planning Fund were computerized.*
- *In the Edmonton and district offices, a new cash receipting system was introduced and reconciliation procedures were computerized.*
- *The branch was involved in reviewing and making recommendations on financing reporting exposure drafts issued by the Public Sector Accounting and Auditing Committee for local governments.*

Internal Audit Branch

The department's management is responsible for preparation of a number of financial reports and for the integrity of the financial data in the Public Accounts.

To this end, management maintains internal controls designed to provide reasonable assurance that assets are safeguarded and that transactions are executed in accordance with management's policies for conducting government business. These internal controls are continuously reviewed by management and by a program of independent reviews conducted in accordance with generally accepted auditing standards.

The Manager of Internal Audit functionally reports to the Audit Committee, composed of the Deputy Minister and the assistant deputy ministers. The Annual Audit Plan is approved by this committee.

Activity Highlights

- *Audits were completed of field office operations in five improvement districts, of one grant program, and of nine scheduled projects.*
- *The status of recommendations made by the Office of the Auditor General was reviewed and followed up.*
- *Four special audit assignments were completed.*
- *Capital costs of ten water and sewer projects were verified.*

Information Systems Branch

The mandate of the branch is to facilitate information processing within the department, and to coordinate all data processing systems and systems-related procedures. Within this mandate, the branch's objective is to maintain an effective technical architecture to support current and future information needs. The branch is structured into four sections to support this mandate.

The Planning and Evaluation section prepares the annual Electronic Data Processing (EDP) Plan, including estimates for the equipment and manpower necessary for the development and support of newly funded systems as well as for the maintenance of existing ones. Other responsibilities include equipment tendering, order processing and inventory tracking, production of data processing standards and guidelines, and participation in the quality assurance review of all projects.

The Systems Development and Office Automation section is responsible for the development of application systems in support of programs at the divisional and departmental levels, using the technology specified by the EDP Plan.

The Database and Technical Support section provides operational support for production systems installed and the associated data communications network at all offices in the department. Assistance and direction is provided during the design and implementation stages of new application systems to ensure proper installation and operation of products delivered by the branch. The section is also responsible for ensuring that the latest version of software is installed at each site and that the backup and file integrity procedures are functioning correctly.

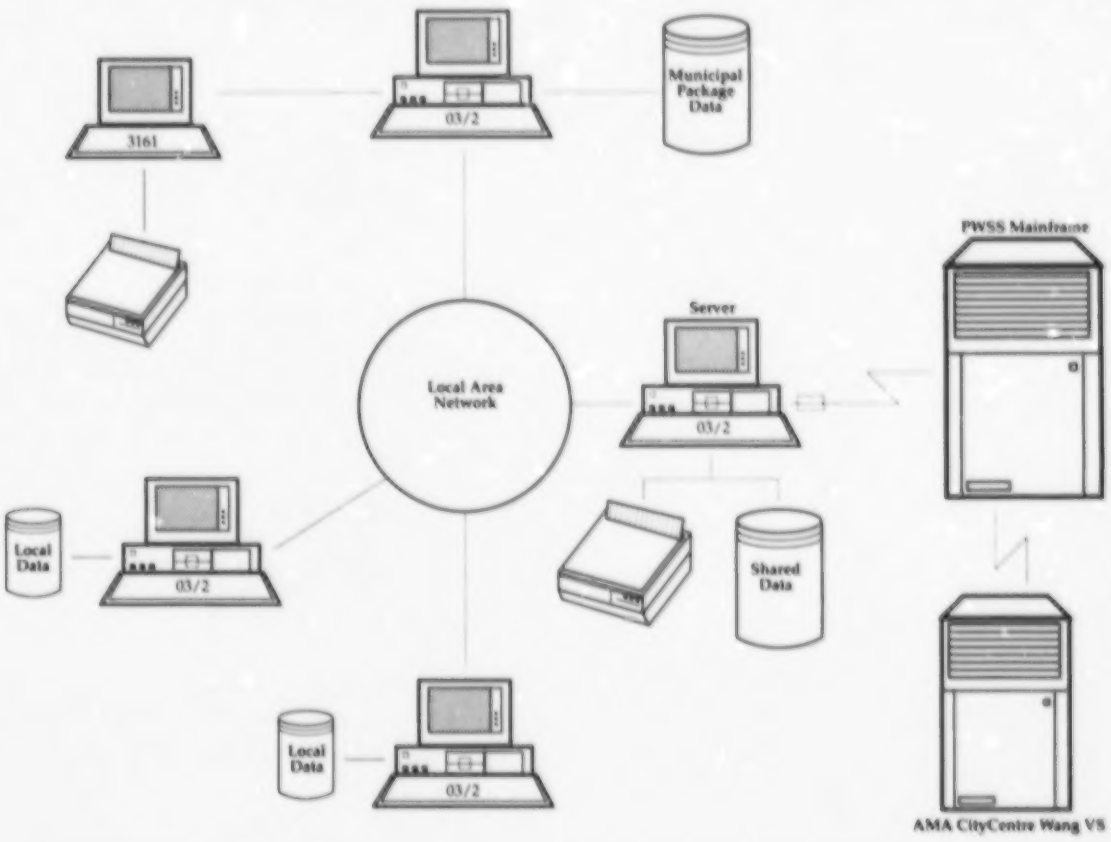
The Systems Services section maintains support for production systems including the making of minor enhancements to improve functionality and reduce operating costs. Emphasis during enhancement is placed on promoting the strategic direction outlined in the EDP Plan which indicates the use of microcomputers wherever feasible. Current applications are continually tested in conjunction with the latest software releases to ensure the compatibility of operating environments.

Activity Highlights

- *Six systems were implemented using distributed database facilities and Local Area Network architecture: Alberta Mortgage Interest Shielding, Alberta Family First-Home, Seniors' Independent Living, Seniors' Emergency Medical Alert, Home Adaptation, and the Municipal Package in Finance and Administration.*
- *The Municipal Package was also implemented in all offices in the improvement districts and special areas.*
- *The Improvement District and Special Areas Taxation System was converted from the Alberta Public Works, Supply and Services (PWSS) mainframe to distributed microcomputers. This conversion improved client service while reducing processing costs.*
- *The residential component of the Municipal Affairs Property Assessment System was implemented.*
- *A standard package was developed to meet the needs of improvement districts in preparing their budgets.*
- *Backup systems and the ability to transfer data electronically between all Alberta Municipal Affairs offices were put in place to increase reliability and reduce support costs.*
- *Conversion to the microcomputer work group concept was started in several areas of the department. The desired configuration for each work group is shown in Figure 2 on the next page.*

Figure 2

Conversion to the Microcomputer Work Group Concept



A work group consists of a Local Area Network (LAN). As can be seen, a LAN enables workstations to share printers and databases. However, processing is done locally, thus reducing costs while improving response times. At the same time, through the Server unit, all workstations on the LAN can communicate with the Alberta Public Works, Supply and Services (PWSS) mainframe and with the Alberta Municipal Affairs (AMA) computer.

Housing Division

W. K. Mann, Assistant Deputy Minister

The division plans, coordinates, and contracts the delivery of housing programs throughout the province. This mandate includes policy and program development for both the division and the Alberta Mortgage and Housing Corporation. The division's responsibilities are divided among these three branches:

- Financial Assistance and Research
- Planning Secretariat
- Rural Housing

During the year, two major programs to assist new and existing Alberta homeowners became effective. The Alberta Family First-Home Program offers financial help to people buying a home for the first time; the Alberta Mortgage Interest Shielding Program helps shield Alberta homeowners from the effects of high interest rates.

Alberta Family First-Home Program

This program is available to eligible Albertans who buy and take possession of their home between March 1, 1989, and February 28, 1991. Benefits continue for up to five years from the date of eligibility and can be obtained in one of two ways. First, through a guaranteed interest-free loan of up to $4,000 obtained from a participating financial institution, to be used as part of the down payment. Home buyers repay the loan principal over five years in monthly instalments.

Alternatively, the province provides a rebate on the interest paid by applicants on $4,000 of their mortgage for five years. Applicants to the program may elect to receive assistance through a combination of these options not exceeding $4,000.

During the 1989-90 fiscal year, 16,274 applications were approved. Interest paid to lending institutions totalled $2,771,530; rebates paid to applicants totalled $1,892,632. Overall program cost: $4,664,162.

Alberta Mortgage Interest Shielding Program

This program shields homeowners from interest rates higher than 12% on the first $75,000 of new and existing mortgages for a two-year period commencing March 1, 1989, and ending February 28, 1991. Eligible homeowners receive benefits equal to the difference between their actual mortgage payments, subject to an interest rate cap, and the amount that would be paid if the interest rate on the mortgage was 12%.

During the 1989-90 fiscal year, 63,955 applications were approved for program costs of $12,986,075.

Financial Assistance and Research Branch

The branch administers grants for home improvements, rental housing, and housing research. It is responsible for technical research and development, and for technology transfer in housing and land development. These functions are carried out by three sections:

- Research and Development
- Home Improvement
- Special Programs

Research and Development

This section has two prime responsibilities:

- To carry out and support technical research and development in housing, land development and related manufacturing industries.
- To encourage the application and adoption of innovative methods, products and technologies.

Objectives are to help improve the quality of housing, reduce housing costs, and contribute to the viability and competitiveness of Alberta's housing industry. To this end, the section administers the Innovative Housing Grants Program, which is the major vehicle for encouraging housing research and development. The section also administers the Competition for Alberta Awards of Excellence in Affordable Housing. The 1989 winners are shown below.

Winners of 1989 Competition for Alberta Awards of Excellence in Affordable Housing

This competition recognizes the achievement of companies that build and market single-detached, semi-detached, and town houses in Alberta that are of high quality and moderately priced. To be eligible for the 1989 competition, houses had to have been completed and available for sale within one year of the entry deadline of May 31, 1989, and meet specific cost limits.

Three categories were established:

Category 1: Homes with hard construction costs (labour and materials) of up to $55,000.

Category 2: Homes with hard construction costs of up to $75,000.

Category 3: Low-rise multiple housing with hard construction costs of up to $55,000 per unit.

Up to 15 awards of $2,500 each were available in addition to a single overall award of $5,000 (Ralph Scurfield Memorial Award). Honourable mentions, with no monetary value, were given to acknowledge special entries which would otherwise not receive an award.

Winning entries were as follows:

Category 1

- *Horizon Model, by Descon Construction, Calgary*
- *Rosewood II Model, by Reid-Built Homes, Edmonton*
- *Castlebury Model, by Laebon Developments Ltd., Red Deer*
- *Chateau Model, by Burke Perry Developments Ltd., Wetaskiwin*
- *Bonnyville Model, by Kensington Homes, Bonnyville*

Category 2

- *Seville Model, by Homes by Jayman, Calgary - Winner of the Ralph Scurfield Memorial Award*
- *Emerson Model, by Darwood Homes Ltd., St. Albert*
- *Newport Model, by Dirham Homes, Grande Prairie*
- *Maplewood Model, by Burke Perry Developments Ltd., Wetaskiwin*

Category 3

- *Eastview Villas Project, by Avalon Homes, Red Deer*
- *Carrington Estates Project, by Meadowglen Developments Ltd., Red Deer*
- *Grand Haven Estates Project, by Dauncey Developments Ltd., Stettler*

Honourable Mentions

- *Cameron Model, by Excel Homes Inc., Calgary - for achievements in housing affordability*
- *Essex Model, by Acacia Developments Ltd., Calgary - for overall design effectiveness*
- *Gaul Residence, by Gregarian Developments Ltd., Calgary - for design effectiveness for infill housing*
- *Meadowbrook Model, by Lincolnberg Homes, Morinville - for cost-effective, energy-efficient technology*

Innovative Housing Grants Program - Grants up to $30,000 are made to industry, organizations, and individuals for research, design, evaluation and test projects. A limited number of grants of up to $50,000 is available to offset costs of major demonstration projects.

During the year, 19 projects were completed, most being in construction technology and building product development. They included:

- A ventilation approach which draws outside air through building walls, heating it in the process.
- A cost-competitive folding door made of Alberta-produced polyvinyl chloride. The door is now on the market.
- A homesharing concept for seniors. The project confirmed the concept's feasibility and its potential for cost-effectiveness.
- Labour-saving plumbing equipment which cuts and reams copper and plastic pipe.

Other Research and Development - Two important initiatives were put in place. The first established financial support for builder education and training. Several courses were started, and a forum for builders was held on construction issues.

The second initiative tested the viability of garden suites as a housing alternative for seniors.

The concept allows a temporary second dwelling on a property for use of senior citizens, generally family members. Five garden suite units are now occupied, two in Lethbridge and three in the County of Parkland. Preliminary evaluations indicate they are a good housing option for some seniors.

Technology Transfer - To encourage commercial use of successful ideas, reports on completed projects are distributed to interested groups, 8,500 being mailed in the period under review. Section staff also encouraged technology transfer by sponsoring, and taking part in, forums and displays.

Home Improvement

This section delivers three programs offering financial assistance to senior citizens who are homeowners. Two special staff positions play key roles in program administration. A Native liaison officer addresses specific needs in the delivery of programs to Indian bands, Metis settlements, and isolated communities. An inspector makes spot inspections and audits claims for materials purchased or services performed. In the 1989-90 fiscal year, 2,535 inspections were made, a drop from the 2,881 made in the previous year. Comments follow on the three programs and their performance in the 1989-90 fiscal year.

Seniors' Home Improvement, introduced in 1982, makes grants to senior citizens with low to moderate incomes to help them with home repairs or improvements. Applications were accepted up to June 30, 1986. Grants made totalled $705,000, down from $1,550,537 in 1988-89.

Seniors' Home Improvement Extension is an updated continuation of the program above. It began on July 1, 1986, and ended on December 31, 1989. Grants up to $3,000 were available to eligible applicants. Expenditures totalled $9,500,000, much the same as in 1988-89.

Seniors' Independent Living, introduced on January 1, 1990, replaces the extension program above. It enables senior citizens with low to moderate incomes to obtain grants of up to $4,000 for permanent home repairs or improvements. In addition, 5% of the grant funds may be spent on minor home repairs or maintenance, and up to $700 may be used to purchase an approved medical alert home unit (see first item below under Special Programs).

Special Programs

This section provides assistance to Albertans through the following six programs.

Seniors' Emergency Medical Alert, introduced on January 1, 1990, helps senior citizen renters with low and moderate incomes to buy approved medical alert home units. The program also makes grants of up to $20,000 to non-profit agencies to help them develop and expand monitoring networks for these units.

Eligible individuals receive grants of up to $700. Approved applicants for Seniors' Independent Living and Enhanced Home Adaptation (see below) benefits can apply up to $700 of their grants to buy an approved unit.

From January 1 to March 31, 1990, a total of 20 non-profit medical alert agencies were approved to participate in the program and received grants totalling $283,835, as shown in Table 3. Ten commercial medical alert agencies were also approved under the program in the same period that 234 individual applications were approved for grants totalling $163,800. Also, 145 units were approved under the Seniors' Independent Living and Home Adaptation programs.

Enhanced Home Adaptation, introduced on January 1, 1990, provides up to $5,000 for permanent modifications which improve access to or movement through their homes by wheelchair users. Homeowners and renters may modify units for wheelchair users or for individuals with a disability which will eventually require use of a wheelchair. Landlords may modify existing residential buildings, or construct new accommodations suitable for wheelchair users. Grants made from January 1 to March 31, 1990, totalled $61,442.

Home Adaptation was introduced in 1978 and ended on December 31, 1989. It was replaced by the Enhanced Home Adaptation program explained above. Grants made during the 1989-90 fiscal year totalled $88,673, compared with $120,286 in 1988-89.

Table 3

Seniors' Emergency Medical Alert Program
Grants to Eligible Agencies January 1-March 31, 1990

Agency	Grants
Breton, Dial of Life Association	$5,840
Calgary, Lutheran Welfare Society	43,200
Camrose, Bethany of Camrose - Helpline	2,975
Cardston Municipal Hospital	3,150
Cold Lake, Lakewood FCSS*	6,900
Drumheller Regional Health Complex	7,200
Edmonton, Good Samaritan Society	20,000
Fort McMurray Regional Hospital	18,000
Grande Prairie, Queen Elizabeth II Hospital	22,600
Hinton Community Services	9,290
Lethbridge Lifeline Association	20,000
Lloydminster, Vermilion River Area FCSS*	12,500
Mannville, Minburn, Innisfree FCSS*	6,000
Milk River, Border Counties General Hospital	4,725
Raymond General Hospital	7,655
Red Deer Regional Hospital	23,000
Rimbey Community Home Help Service Association	10,250
Rocky Mountain House, West Country Family Services Association	12,650
Vegreville, St. Joseph's General Hospital	20,000
Wainwright and District FCSS*	7,900
Total	$283,835

*Family and Community Support Services

Alberta Rental Investment Incentive ends on July 1, 1990. It was introduced to provide an extra incentive for investors and developers who started construction of multiple-unit residential buildings (MURBs) in 1980 and 1981. In brief, corporations that are taxable in Alberta apply for a tax credit, while individuals apply for a tax rebate.

Program expenditures in 1989-90 were $954,916. These increased over the previous year's $339,495 as investors prepared for the end of the program.

Housing Registry makes grants to nine housing registries which enable them to supply housing referral and related services. The registries assist the general public as well as groups with specialized housing needs such as the hard-to-house, the disabled, Native people, and senior citizens. Five are located in Edmonton, two in Calgary, and one each in Lethbridge and Medicine Hat.

In total, the registries received $338,000 in grants during 1989-90, an increase from $291,500 in the previous fiscal year.

Senior Citizen Unique Homes Assistance enables eligible homes for senior citizens to obtain grants for between 75% and 90% of justifiable deficits up to $5.30 per bed per day. (The percentage is affected by a number of variables.) Homes being assisted provide levels of care between that found in lodges and nursing homes.

In the 1989-1990 fiscal year, two homes were added to the eight receiving grants in 1988-89. Grants of $818,709 made to the ten homes in 1989-90 are shown in Table 4. This amount is an increase of $189,000 over the previous year's total of $630,306. However, as the table shows, this increase is largely due to the greater number of assisted homes, ten against eight; most homes individually received less this year than last. The funding formula is currently under review.

Table 4

Grants to Senior Citizen Homes

	Grants		Eligible
	1988-89	1989-90	Deficit
Airdrie, Bethany Care Centre	$-	$ 94,492	75%
Calgary, Salvation Army Sunset Home	60,029	47,798	75%
Calgary, Bethany Care Centre	42,843	74,528	75%
Coaldale, Mennonite Home	24,595	27,083	75%
Cochrane, Bethany Care Centre	-	56,694	75%
Edmonton, Salvation Army Sunset Home	95,050	94,790	90%
Edmonton, Emmanuel Home	17,568	19,345	75%
Hythe, Pioneer Home	171,146	178,629	90%
Medicine Hat, Haven of Rest	127,751	150,147	75%
Wetaskiwin, Good Shepherd Home	91,324	75,203	75%
	$630,306	$818,709	

Planning Secretariat

The Planning Secretariat assists and coordinates policy and program planning for the Housing Division and for the Alberta Mortgage and Housing Corporation (AMHC). The branch also provides analysis and forecasts on the housing market to government and other groups. In addition, it has a lead role in coordinating the division's liaison with public agencies such as the Canada Mortgage and Housing Corporation (CMHC), and with private-sector organizations such as the Alberta Home Builders' Association.

Branch functions are undertaken by these two sections:

- Market Analysis and Policy/Program Development (Department)
- Corporate Policy and Program Development (AMHC).

Market Analysis and Policy/Program Development (Department)

The section operates through two units: Market Analysis and Policy/Program Development (Department).

Market Analysis undertakes ongoing and special economic research, and supplies market and program analyses, forecast and data support to the housing industry and the public.

Activity Highlights

- *"Residential Construction in Alberta" was published monthly to report on residential construction activity in Alberta.*
- *"Housing Market Trends" was published quarterly to supply information on housing market trends in Alberta.*
- *The annual survey was completed of vacancy rates in rental housing in approximately 90 communities; a summary report was also prepared.*
- *Short- and medium-term forecasts were produced of housing starts, expenditures and requirements for the province as a whole and for its major urban areas.*
- *Phase II was started of a study to examine funding mechanisms for installing trunk service in new subdivisions.*

Policy/Program Development (Department) evaluates and develops alternative directions for programs administered by the Housing Division. The unit also undertakes research and analysis projects.

Activity Highlights

- *Existing and potential housing options for senior citizens were reviewed.*
- *Housing needs of non-status residents of Fort Chipewyan were surveyed.*
- *The CMHC evaluation of the Rural and Native Housing Program was reviewed, as were policies of the Rural Emergency Home and the Rural Home Assistance programs.*

Corporate Policy and Program Development (AMHC)

The section evaluates housing programs delivered by the AMHC. Also, it assesses all applications for housing projects and makes appropriate recommendations.

Activity Highlights

- *The 1990-92 Three-Year Plan and the 1989 Social Housing Annual Review were prepared for federal/provincial cost-shared housing programs.*
- *A survey was completed of senior citizen lodges experiencing high vacancy rates.*
- *Detailed need and demand assessments were completed for approximately 40 social housing applications.*
- *Assessment of AMHC land sites in Calgary and Edmonton was completed.*
- *Alternative formulas for dividing federal housing funds between the provinces were developed and analysed.*
- *Revised policies and procedures were drafted for several social housing programs.*

Rural Housing Branch

The branch supplies training assistance in finance, administration, construction, and renovation which is directly linked to modest and affordable housing. Pre- and post-occupancy counselling is also supplied.

Client groups are rural families and senior citizens, mostly in northern Alberta, whose sources of income are often derived from seasonal employment supplemented with unemployment insurance, social assistance, or pension benefits.

The branch operates the following three programs. They are designed to meet specific needs where conventional housing programs are not suitable or are not available.

- Rural Home Assistance
- Rural Emergency Home
- Rural and Native Housing

Rural Home Assistance Program

This program is used to assist isolated communities and Metis settlements with grants for materials. These enable communities to build new homes for eligible families, or improve existing ones. This mandate is carried out through five sub-programs.

Isolated Communities Housing assisted 40 families, with grants totalling $1,284,496, to build new, modest homes. Location of units built is shown in Table 5. Comparative figures for the previous year were 44 families and grants of $989,628.

Metis Settlement Housing helped 46 families with grants totalling $1,065,959. Location of units built is shown in Table 5. Comparative audited figures for the previous year were 45 families and grants of $1,421,734.

Table 5

Units Built Under Sub-Programs of the Rural Home Assistance Program

Isolated Communities Housing Sub-Program	**Units Built**
Aspengrove	2
Boyer	4
Calling Lake	6
Conklin	3
Desmarais/Wabasca	3
Elinor Lake	3
Fort Chipewyan	6
Kamisak	1
Victor Lake	2
Imperial Mills	4
Owl River	2
Peerless Lake	2
Trout Lake	2
Total	40
Metis Settlements Housing Sub-Program	**Units Built**
Caslan	5
East Prairie	5
Elizabeth	7
Fishing Lake	5
Gift Lake	6
Kikino	8
Paddle Prairie	5
Peavine	5
Total	46

Rural and Native Demonstration, in its fourth year, is cost-shared on a 75/25 basis by the Canada Mortgage and Housing Corporation and Alberta Municipal Affairs. Six families were helped to build their own homes with grants totalling $208,729. In the isolated communities, two units were built in Wabasca and one in Peerless Lake; in the Metis settlements, two units were built in Buffalo Lake and one in East Prairie. This is a decrease from the previous year's figures of 10 homes totalling $332,330.

Rural Home Repair operates through local housing associations. It assists approved isolated communities and Metis settlements to repair and upgrade existing homes. In total, 34 applications were approved with a cost commitment of $181,248. This is an increase over the previous year's figures of 23 approvals and a cost of $98,190.

Northern Water and Sewer helps finance the installation of plumbing and sewer facilities in isolated communities and Metis settlements. In total, 220 families were helped, with a cost commitment of $514,270. This is an increase over the previous year's figures of 209 families and a cost of $422,020.

In detail, the grants approved were as follows:

- In isolated communities, roughed-in plumbing systems for 48 families and, under the Medical/Disabled Program, complete exterior/interior water and sewer services for 13 families - $124,158.
- In Metis settlements, interior plumbing in 46 homes - $115,000.
- Through a cost-sharing agreement between the Rural Housing Branch and Metis Settlement Branch of the Improvement Districts and Native Services Division, plumbing services for 113 families - $275,112. Of these families, 25 received complete plumbing systems under the Medical/Disabled Program.

Rural Emergency Home Program

This program helps supply emergency housing for eligible rural families and senior citizens with low to moderate incomes who may face an emergency situation if their dwelling is destroyed by fire, flood, or storm; is unsafe due to structural defects and beyond repair; or, is overcrowded and not healthy to live in.

Emergency mobile homes may be moved in to sites anywhere in Alberta, but are primarily in use in villages, towns, improvement districts, and Metis settlements.

In the year under review, the program received 662 applications for emergency housing, approving 222. These figures are very close to the 632 applications and 221 approvals in the previous year. At March 31, 1990, a total of 1,023 of the program's units were occupied.

The program allows tenants who are interested in purchasing units to do so. In the 1989-90 fiscal year, 115 were sold compared with 94 in the previous year.

Rural and Native Housing Program

This cost-shared program has made home ownership possible for rural families with low and moderate income since 1974. In 1988, a subsidized rental option was introduced, and in 1989 funding for the purchase of 30 additional rental units was committed.

Funding for construction or purchase of homes is provided by the Alberta Mortgage and Housing Corporation; subsidies and other costs are shared on a 75/25 basis by the Canada Mortgage and Housing Corporation and Alberta Municipal Affairs. Families pay 25% of their income toward mortgage or rent payments.

During the reporting period, 170 families received mortgage assistance. Regional distribution of these families was as follows:

Region	Families
Peace	53
Bonnyville	75
South	42
Total	170

Post-occupancy repairs were completed on 31 units at a cost of $96,174. Another 17 units received remedial repairs at a cost of $68,781. The breakdown of repairs in these two categories is shown in Table 6.

The program has 75 units remaining from an earlier rental program which is now administered by the Alberta Mortgage and Housing Corporation. In recent years, many of these have been sold to eligible applicants.

At March 31, 1990, the Rural and Native Housing Program had 1,728 ownership and rental units in its portfolio.

Table 6

Rural and Native Housing Program Repairs Completed, by Region

	Post-Occupancy		Remedial	
Region	**#**	**$**	**#**	**$**
Peace River	16	$48,831	11	42,154
Bonnyville	11	32,169	2	13,100
South	4	15,174	4	13,527
Totals	31	96,174	17	68,781

Improvement Districts and Native Services Division

Dennis C. Surrendi, Assistant Deputy Minister

The division consists of two major administrative units:

- Improvement District Operations
- Native Services

The mandate of Improvement District Operations is to help improvement districts (IDs) develop their own local governments. The unit works through two regions: Capitol and Peace. The IDs are delineated in the map on the next page.

The primary mandate of Native Services is to increase in departments and agencies of the provincial government an awareness of the needs and aspirations of Native communities. The objective is to strengthen programs and policies that effectively address the interests of the province's Native people.

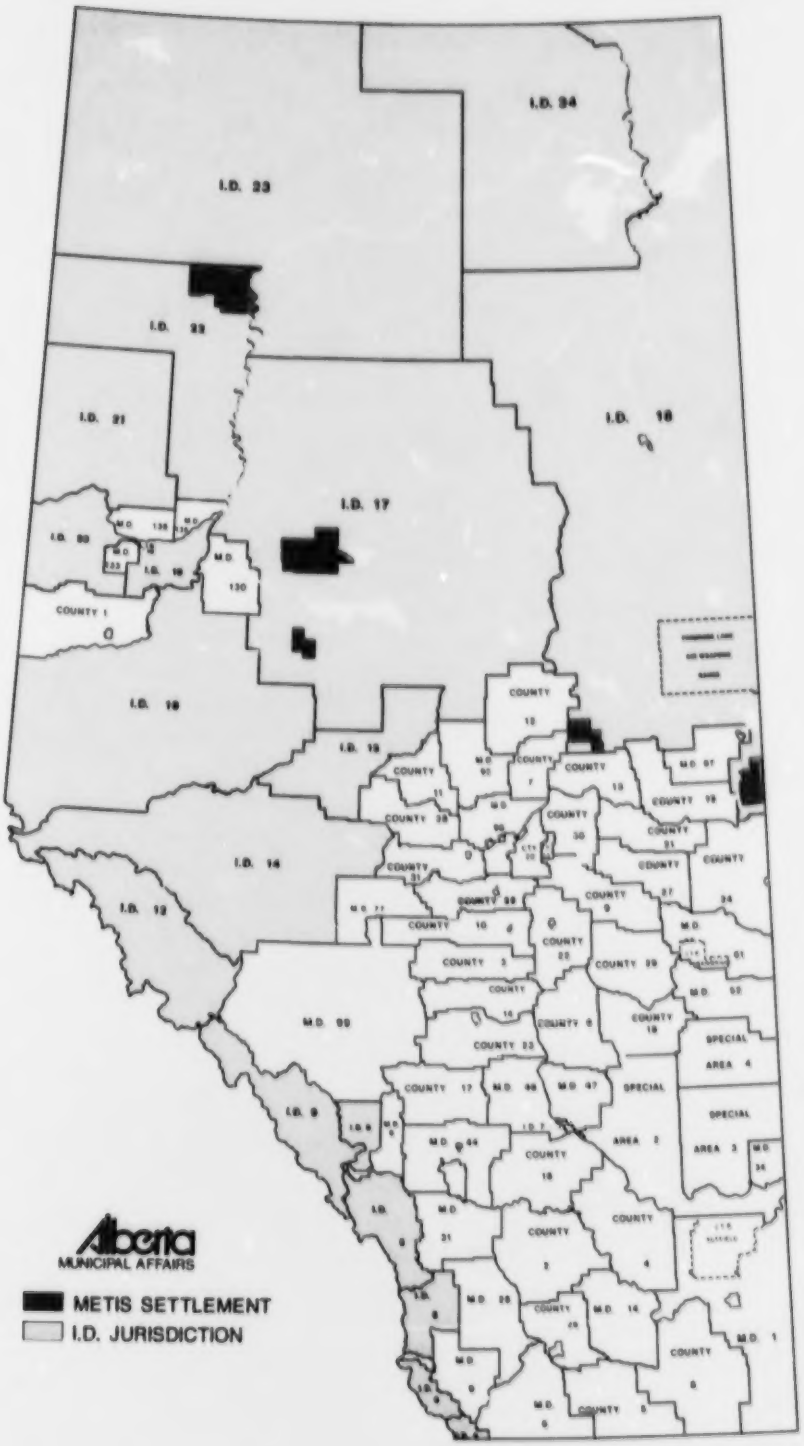
One of the year's most significant projects for the division was development of a transitional incorporation process for improvement districts (IDs). This involved the Improvement Districts Association of Alberta, the IDs, and Alberta Municipal Affairs. The project's goal, over time, is to move IDs to municipal district status. In this context, it is noteworthy that approval was granted by the Minister for incorporation of the Improvement District of Badlands, No. 7, as a municipal district on January 1, 1991.

Another initiative of significance was the development and introduction of legislation to provide a new and unique form of local government on Alberta's eight Metis Settlements. A form of local government will be established which combines traditional municipal law with aspects of the Metis culture. The legislation, once proclaimed, will result in the transfer of the ownership of the land to the Metis Settlements General Council, and its protection in the constitution of Alberta. As well, the Metis Settlements Transition Commission will be established to assist the settlements and the province implement the legislation.

Improvement District Operations

This administrative unit has two branches: Lands and Extension, and Support Services. Prime activity during the reporting period was to continue helping improvement districts (IDs) move toward greater autonomy. Several key endeavors were started or completed, including the following:

- To enable IDs to take on more responsibility for their financial affairs, automation of office procedures was expanded with the introduction of new municipal and budget software. This incorporates components for budgeting, taxation, mobile licensing, and utilities billing.
- The final draft of the Rural Districts Discussion Paper was approved by all ID advisory councils. The paper proposes a phased approach to autonomous government for IDs, enabling them to assume incremental levels of responsibility for finance and administration.
- In Improvement District No. 17, a study was begun to determine the most effective form of local government for the Town of Slave Lake and the immediate surrounding area. The report of the study is due in the next fiscal year.
- A review was commissioned of the industrial tax transfer program and of related industrial taxation issues.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I.D. 15
I.D. 14
I.D. 12
I.D. 9
M.D. 130
COUNTY 1
M.D. 99
SPECIAL AREA 4
SPECIAL AREA 3
SPECIAL AREA 2
Alberta
MUNICIPAL AFFAIRS
METIS SETTLEMENT
I.D. JURISDICTION

Lands and Extension Branch

The branch's prime role is to develop strategies which enable communities, through their own initiative, to deal with issued affecting them. To this end, the branch works with advisory councils in improvement districts, with local groups, and with Native organizations. An important aspect of this work is to increase the understanding of local government in communities, and to encourage local participation in it.

Development approaches are designed to enable government to respond to communities individually, at a pace and level of intensity that meets their aspirations. At the same time, land administration systems give residents of remote communities, through their locally elected advisory councils, greater control over the land on which they live.

Administration of Crown land in 15 out of the province's 21 Green Area hamlets has now been transferred to Alberta Municipal Affairs from Alberta Forestry, Lands and Wildlife.

Support Services Branch

The branch provides support to the division on finance, budgets, assessment and taxation, engineering, and administration. Noteworthy activities during the 1989-90 fiscal year included the following:

- Introduction of a new budget format for the Improvement Districts Trust Fund.
- Completion of a general assessment in Improvement District (ID) No. 21 and start of a general assessment in the Improvement District of Badlands, No. 7.
- Installation of a new computer system for ID assessment and tax rolls.
- Involvement in assessment studies in Slave Lake and in ID No. 17.

Native Services

This administrative unit liaises with Status Indians, with the Metis Settlements, and with Metis people not living on the settlements. The unit also develops and administers policies and programs related to land responsibilities. Location of the eight Metis Settlements is shown on the map on page 37.

In the 1989-90 fiscal year, emphasis was placed on the use of extension education programs involving community groups and Native organizations. These programs help communities identify and achieve their goals. Also, they broaden input into, and improve understanding of, the local government process. Grants totalling $2.5 million were made to Native organizations and individuals.

In addition to education, much of the unit's work was concerned with agreements affecting Native communities and interests, as described below:

Agreement Highlights

- *A 1988 agreement signed by the Alberta and federal governments, the Athabasca Native Development Corporation (ANDC), and Syncrude Canada Limited was designed to improve business and employment opportunities for Native people in oilsands development in northeast Alberta. Native Services is represented on the steering committee. During the 1989-90 fiscal year, the ANDC developed a research program which identified the unemployment rate, skills inventory, training needs, and educational and related needs of community residents within the region served by the agreement.*
- *In December 1989, the province's Framework Agreement with the Metis Association of Alberta was renewed for three years. The agreement:*
  - *establishes sub-committees in priority areas of interest to Metis Albertans,*

- *encourages development of Memorandums of Understanding between the association and government departments,*
- *allows for greater Metis input into government programs, services, processes and structure, and,*
- *increases joint planning and programming.*

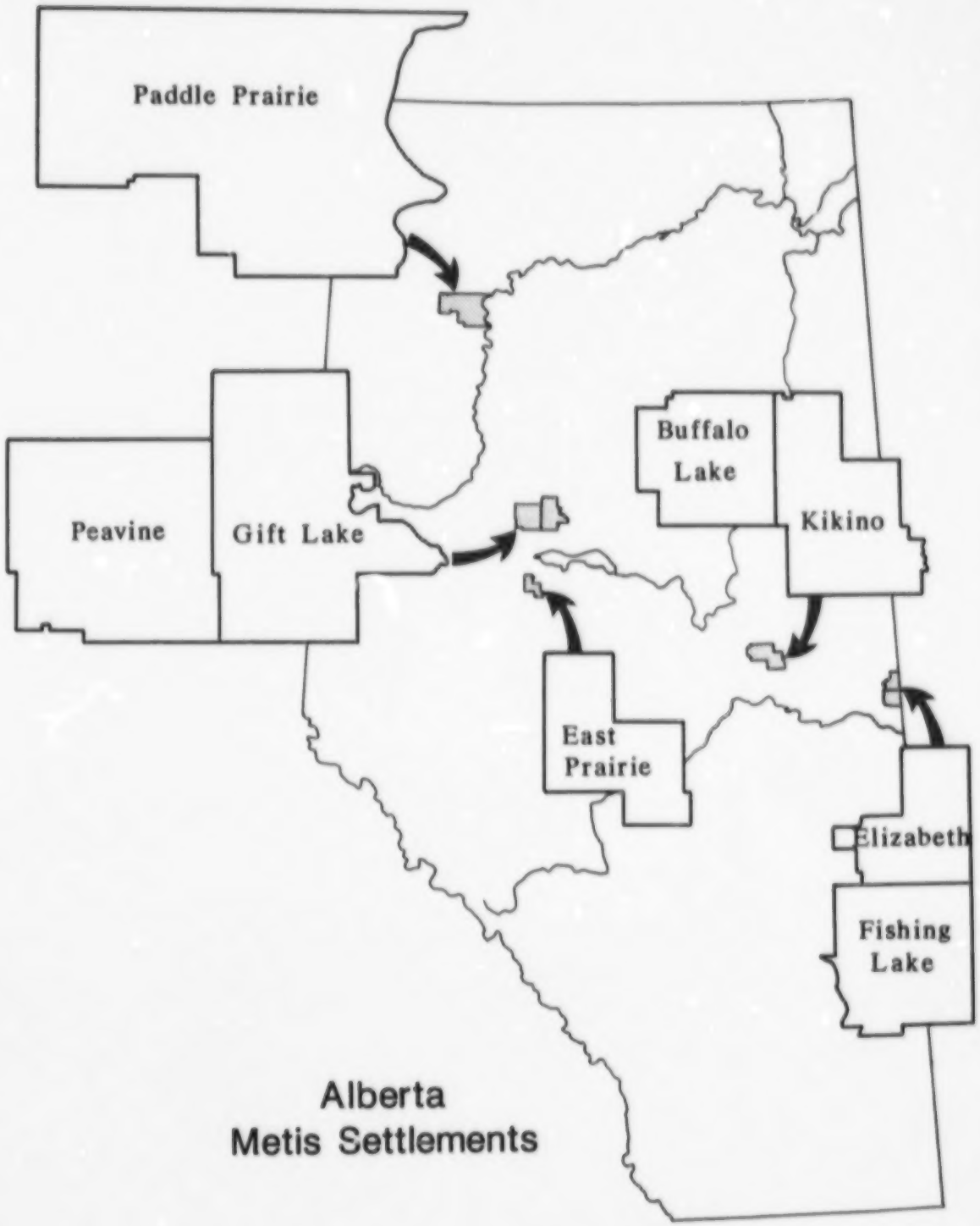
- *The Canada/Alberta Memorandum of Understanding on Native Development continued to emphasize agricultural opportunities for Native farmers. The agreement expired at the end of the fiscal year.*
- *Native Services was represented on the Interdepartmental Committee on Forestry Training. One aim of the committee is to maximize business and employment opportunities in the economic development of Alberta's forest resources for local residents, including Native people.*

Metis Settlements Branch

The year's most significant event for the branch was the signing of the Alberta/Metis Settlements Accord. The components of the Accord provide for the constitutional protection of Settlement lands, the development of local government structures and systems, provincial financial commitments, and the co-management of subsurface resources.

In detail, the Accord incorporates the following:

- The Resolution to Amend the Alberta Act
- The Metis Settlements Land Act (Bill 65)
- The Metis Settlements Act (Bill 64)
- The Alberta-Metis Settlements Finance Agreement
- The Alberta-Metis Settlements Transition Commission Agreement
- The Alberta-Metis Subsurface Resource Management Agreement



Alberta
Metis Settlements

Municipal Administrative Services Division

Tom Forgrave, Assistant Deputy Minister

The division comprises three branches whose mandate is to encourage strong administration in municipal government. To this end, the division provides advisory, information and research services, administers transfer programs, and serves as a communication link between municipalities and provincial government departments and agencies. The status and number of municipalities in Alberta at March 31, 1990, are shown in Table 7. Numbers for the previous year are also shown.

As the last decade of the century begins, so are local governments increasingly concerned with trends that may affect them. These go far beyond technological advances. Municipal operations are being affected in significant ways by the escalating interest in participatory forms of government, in "user pay" policies and in environmental protection, as well as by the shift in public expectations toward better, not more, government programs.

Some of these patterns of concern are reflected in the details of the division's report, which starts with three major highlights of the 1989-90 fiscal year.

Banff Incorporation

The Town of Banff became the only municipality incorporated inside a national park in Canada when its incorporation became effective on January 1, 1990. During the negotiations leading to this milestone event, the division acted on behalf of Alberta. The incorporation required an amendment to the National Parks Act (Canada), enactment of the Parks Towns Act (Alberta), a federal-provincial agreement and the administrative arrangements necessary to enable a town of 6,500 people to begin functioning.

Table 7

Alberta Municipalities by Status and Number
In fiscal years 1988-89 and 1989-90

	1988-89	1989-90
Cities	16	16
Towns	107	108
New towns	1	1
Villages	122	122
Summer villages	53	53
Counties	30	30
Municipal districts	22	22
Improvement districts	19	19
Special areas*	1	1
Total	371	372
Regional Municipal Services Commissions	9	13

**Technically there are three special areas, but for simplicity and in line with common usage, these are referred to as one unit.*

Legislation for the 21st Century

The Municipal Statutes Review continued with its mandate to recommend legislation that will carry Alberta municipalities through the 1990s and into the 21st century. The committee proposed a "Municipal Policy Statement" to guide its work and, eventually, that of all provincial/municipal relations.

Also, work began on rewriting the Municipal Government Act, a process which involves consultation with the public. The committee publishes papers proposing draft legislation, receives comments, and publishes amended papers for further discussion. The objective is to recommend a new Municipal Government Act to the Minister of Municipal Affairs in late 1990.

Senatorial Selection

In October 1989, Alberta elected a senate nominee in conjunction with general municipal elections. The division helped develop the Senatorial Selection Act, developed agreements with municipalities to conduct the selection, administered a transfer program to reimburse municipalities for the costs involved, and operated the senatorial selection results centre in cooperation with the Alberta Chief Electoral Officer.

The division's representation and liaison activities are listed below. This is followed by reports from the three branches which carry out the division's work. They are:

- Municipal Services
- Tax Recovery and Property Administration
- Grants and Subsidies

Representation and Liaison

The division represented the department or the Alberta government on the following bodies during the reporting period.

- Advisory Committee on Local Government Educational Programs, University of Alberta
- Alberta Achievement Awards Program
- Alberta Special Relations Committee
- Canadian Institute of Chartered Accountants, Public Sector Accounting and Auditing Committee
- Canadian Public Works Association, Productivity Conference Committee
- Committee on Banff Incorporation
- Coordinating Committee on Senior Citizens
- County Act Review Committee
- Edmonton Downtown Development Corporation
- Elected Officials Educational Programs, University of Alberta
- Emergency 9-1-1 Committee
- Excellence in Financial Reporting Committee, Government Finance Officers Association
- Globe '90 Panel
- Interprovincial Municipal Finance Officials Committee
- Local Authorities Liability Insurance Committee
- Major Industrial Accidents Coordinating Committee (National/Alberta)
- Metis Framework Agreement, Local Government Sub-Committee
- Oilwell Drilling Tax Task Force
- Oldman Dam Surplus Lands Committee
- Public Service Management Pension Board
- Railway Relocation Committee
- Society of Local Government Managers
- Statistics Coordinating Committee

Division staff participated in annual and zone meetings of the following organizations.

- Alberta Association of Municipal Districts and Counties
- Alberta Rural Municipal Administrators Association
- Alberta Urban Municipalities Association
- Association of Record Managers and Administrators
- Association of Summer Villages of Alberta
- Canadian Association of Municipal Administrators
- Canadian Public Works Association, Alberta Chapter
- City Clerks and Election Officers Association
- Federation of Canadian Municipalities
- Government Finance Officers Association, Western Canada
- Improvement Districts Association of Alberta
- Local Government Administrators of Alberta
- Major Industrial Accidents Coordinating Committee

Municipal Services Branch

The primary goal of the branch is to improve municipal administration and develop strong local government by providing advisory, consulting, information, and research services to its clients. Demands on branch resources continue to increase as municipalities and the department deal with new issues and challenges. Brief reports on the most noteworthy of these follow.

Local Development Initiative

A new strategy was spearheaded by the Minister to revitalize economic activity in Alberta's smaller communities. The goals are to help these communities open their doors to economic development and to ensure that the government's organization, programs, and legislation support this revitalization. During the reporting period, the branch provided data and research, developed a program to gather public opinion, and organized interdepartmental committees to advise on the new strategy.

Alberta Local Authorities Reciprocal Insurance Exchange

This program was devised to offer local authorities reasonable access to liability insurance coverage, including the concept of self-insurance. The branch, working with the municipal associations, developed a plan for the operation of the Insurance Exchange. This was presented to the annual conventions of the municipal associations, and subsequently ratified. It is expected that licensing of the Exchange and the issue of the first policies will occur late in 1990.

Advisory Services

Field Advisory Program - Established in 1987 to replace the municipal inspection process, this program was set up to improve the operation of municipal government in Alberta and to maintain an effective advisory network between municipalities and the department.

Designed for municipalities with population under 10,000, the program has three stages. First, a municipal corporate review provides a full evaluation of operations. Second, a follow-up advisory visit in the ensuing year maintains liaison with the branch. Third, the program is completed in the third year through informal contact.

In 1989, municipal corporate reviews were conducted in approximately one third of the province's municipalities. Most of the others were assisted through an advisory visit or informal contact.

Financial Advisory Services - These focus on the financial, budgetary, and demographic aspects of municipal government. Financial statements, budget estimates and census information are reviewed and processed into the data base of the Alberta Municipal Financial Information System. This data is used for financial analyses, comparative reports, and for monitoring financial affairs of municipalities.

During the year the branch provided on-site financial advisory services to more than 30 municipalities, and responded daily to telephone enquiries. Also, staff participated in special studies and conducted seminars.

Special Projects and Policy Research

The branch embarked on several special projects, studies and research activities related to the administration, structuring and financing of local government. They included the following:

- Reviewing a request by the Village of Wildwood on the feasibility of disincorporation. A public meeting and plebiscite are scheduled for the fall of 1990.
- Conducting a feasibility study on the incorporation of two resorts, Breakers and Sunhaven, as summer villages. The incorporation process has now been started.
- Conducting a study and resident survey on incorporation for the hamlet of Bragg Creek. Through a plebiscite, residents voted not to incorporate.
- Acting as Official Administrator in one municipality.
- Assisting with the creation of four new municipal regional services commissions: Northeast Pigeon Lake Regional Services Commission, Lethbridge Regional Waste Management Commission, Foothills Regional Services Commission, and the Trivillage Regional Sewage Services Commission. These intermunicipal commissions manage and deliver regional water, sewage and/or solid waste services. There are now 13 in the province.
- Calculating municipal assistance grants to municipalities. The 1990 grant program will complete implementation of the equitable grant formula for all municipalities.
- Monitoring developments in the debate on the federal Goods and Services Tax, evaluating the effects of the tax on municipal operations, and preparing seminars to assist local authorities implement it.
- Studying options for improving structural arrangements, financial viability, and intergovernmental relations. The most significant studies started were in the Bow Corridor, Drumheller, and Slave Lake areas.

Publications

To assist municipalities increase their effectiveness, the branch continued to produce publications on topics of interest or concern to local government officials. Noteworthy are the following:

- The Municipal Administrator's Handbook provides administrators and councils with information on policy and procedure matters.
- Interpretation Bulletins review articles of relevant legislation.
- Information Bulletins deal with relevant topics of interest to all municipalities. Of particular note in 1989 was inclusion of an updated Procedure Manual for the Local Authorities Election Act.
- Reference publications provide information on provincial grant - and cost-sharing programs and on municipal populations. They offer also comparative data on municipalities and their taxation of residential properties and use of utility charges.
- A series of special publications was distributed which supplied topical information for the 1989 municipal elections.

Progress in Education

The division continued its interest in the delivery of educational programs for elected and appointed municipal officials. Key programs are listed below. In addition, lectures and workshops were held, as required, for municipal groups.

Preparing for Elections - Two new training courses concerned with municipal elections were held in 1989 for the first time. Both were developed jointly by the University of Alberta, Faculty of Extension, and the branch. In preparation for the October municipal elections, a Returning Officers Training Program was held during the summer in 16 locations. In September, the Orientation for Candidates for Municipal Office course was held in eight locations.

Training Future Administrators - The Municipal Administration Internship Program allows candidates to be selected annually for one year's on-site training in municipal government administration. The branch selects both the interns and the host municipalities, and provides financial support to cover one half of the interns' base salary. Eight interns were placed during the year, one each in the City of Airdrie, the Towns of Barrhead, Stettler, and Westlock, the Village of Onoway, the Counties of Beaver and Forty Mile, and Improvement District No. 17.

Harmonizing Programs in the West - The branch was involved in organizing the Western Canada Municipal Education Strategy. The objective is to harmonize education programs for municipal administrators in the four western provinces. Agreement has been reached on exploring the feasibility of developing a strategy on such issues as certification and the portability of education courses and experience across the region.

Working with the University of Alberta - The branch works with the University of Alberta's Faculty of Extension on several programs. Comments on these follow.

In the annual refresher course on municipal administration, staff conduct lectures and workshops on various topics including municipal finance, organization, administration, function of council and legal issues.

The Elected Officials Symposium, held in conjunction with the urban and rural municipal associations, provides lectures and insights into policy issues affecting local governments.

Some of the components for the Local Government Citation Program, the Local Government Certificate Program, and the Senior Executive Fellows Program were originally developed by the branch in conjunction with the Faculty of Extension. Branch input is maintained through representation on the Advisory Committee on Local Government Educational Program.

The branch participated in seminars held as components of Local Government Studies. These acquaint newly-elected municipal councillors with their functions and responsibilities, the role and structure of municipal government, and the relationship between legal, ethical and political considerations.

Tax Recovery and Property Administration Branch

Under the Tax Recovery Act, the following approved tax recovery sales were completed during the 1989-90 fiscal year. They are listed by type of municipality.

- Cities: The sale of occupied properties to their respective residents involved two parcels for a return of $960,284. (Unoccupied parcels in cities do not require Ministerial approval.)
- Towns and Villages: Forty occupied and unoccupied parcels were sold for a return of $170,692.
- Counties and Municipal Districts: Ninety-one parcels were sold for a return of $984,532.
- Improvement Districts and Special Areas: In total, 380 parcels were listed (of which 262 were redeemed prior to sale), 316 were advertised and 118 were offered for sale in 18 tax sales. Twenty-one tax-forfeited parcels in improvement districts were sold at private sale for a return of $79,520.
- Special Areas Land Sales: In total, 113 sales were processed covering sale of land and approved by the Special Areas Board for a return of $1,593,600.
- Collections: In improvement districts, $9,989 was collected from rental of tax recovery land through licences of occupation and leases for grazing, cultivation and other uses. The sale of sand and gravel returned $2,202. Also, $11,986 was collected in improvement districts from outstanding Agriculture Relief Advances.

Recommendations were made by the branch to the Agricultural Relief Adjustment Board on compromise settlements for accounts irretrievably in arrears or cancellation of uncollectable accounts.

Property Administration

The branch assisted the Municipal District of Cypress No. 1 in the disposal of 67 parcels of tax-forfeited land for a return of $913,063.

The branch also assisted the County of Forty Mile No. 8 in the disposal of 20 parcels of tax-forfeited land for a return of $262,958. These sales were completed in accordance with a land sales policy developed by the county in conjunction with the division and approved by the Minister.

Land sales for improvement districts generated $98,938. Assistance was given by the branch to improvement districts in registering documents, including survey plans, easements, caveats, and right-of-way agreements, and in purchasing land for municipal purposes.

Oil Well Companies

The branch records all oil well completions in the province in order to provide information to local authorities which levy well-drilling taxes. Table 8 shows that completions in the 1989-90 fiscal year were some 58% lower than in the year before.

Table 8

Location and Number of Oil Well Completions For fiscal years 1988-89 and 1989-90

	1988-89	1989-90
Location		
Counties	1,769	1,217
Municipal districts	1,579	1,052
Improvement districts	2,045	861
Metis settlements	18	9
Special areas	782	481
Others	32	9
Total	6,225	3,639

Grants and Subsidies Branch

Details of assistance disbursements to municipalities and to individual Albertans in the 1989-90 fiscal year are shown in the tables on this and the following page.

Assistance to Municipalities

Table 9

Unconditional Assistance Grants

Grantees	
16 cities	$46,693,519
108 towns	13,923,502
122 villages	3,500,463
50 summer villages	324,811
30 counties	22,807,831
22 municipal districts	10,372,861
14 improvement districts and special areas	4,543,768 1,248,132
4 collecting school districts	274,299
Total	**$103,689,186**

Table 10

Special Assistance Grants

Grantees	
1 city	$82,900
32 towns	417,152
10 villages	13,858
2 summer villages	231
7 counties	255,574
6 municipal districts	198,993
4 improvement districts	15,341
2 collecting school districts	142,083
Subtotal	$1,126,132
Municipal Anniversary Recognition Grant	9,665
Total	**$1,135,797**

Table 11

Municipal Debenture Interest Rate Program (Figures in this table are for the 1989 calendar year)

Grantees	
16 cities	$44,828,130
107 towns	4,809,078
96 villages	627,528
3 summer villages	5,562
19 counties	550,308
11 municipal districts	124,531
9 improvement districts	59,573
4 regional service commissions	349,519
Total	**$51,354,229***

**Included are subsidies paid on prepayments totalling $1,134.*

Table 12

Alberta Municipal Partnership in Local Employment (AMPLE) Program

Grantees	
16 cities	$44,699,025
108 towns	8,771,254
122 villages	1,292,348
48 summer villages	213,698
30 counties	7,178,082
22 municipal districts	3,344,247
14 improvement districts	1,713,468
8 Metis settlements	137,559
special areas	171,525
4 collecting school districts	371,303
	$67,892,509

Table 13

Miscellaneous Grants

Senior Citizen Self-Contained Apartment Program
Grants were paid to six cities, two towns and two villages, totalling $958,169.

Ethno-Cultural Provincial School Levy Abatement Program
Grants were paid to 24 ethno-cultural organizations, totalling $50,090.

Transitional Assistance
Grants of $3,000,000 were paid to one municipality.

Assistance to Individuals

Table 14

Senior Citizens' Renter Assistance Program

Application Type	#		$		Total $
Regular	29,467	x	1,200	=	$35,360,400
Subsidized Housing	16,372	x	600	=	9,823,200
Owner-occupied Mobile Home	2,033	x	1,000	=	2,033,000
Totals	**47,872**				**$47,216,600**

Table 15

Property Tax Reduction Program

Senior citizen applications (includes prior years' applications)	102,040
Amount disbursed to senior citizens	$67,638,944
School tax credits	42,094
Administration fees:	
Senior citizen applications	498,155
School tax credits	1,245
Total disbursed	$68,180,438

Planning Services Division

Jack G. Thomas, Assistant Deputy Minister

The division's mandate is to provide land use planning and related advisory services to municipalities outside regional and municipal planning commission boundaries, as well as to advise the Minister on matters that affect planning generally throughout Alberta. A map delineating regional planning commission areas is on page 50.

The division operates through these three branches:

- **Research and Development**
- **Planning**
- **Planning Support Services**

Research and Development Branch

The branch provides advice and assistance to municipalities, a number of agencies, commissions, government departments, and the public. It undertakes research projects concerned with land use planning, planning legislation, and related areas.

In this report, the branch's key projects are presented under these activity headings: Project Highlights, Advice and Assistance, Research Projects, and Legislation.

Project Highlights

- *VISION 2020: This was the final year for the Vision 2020 project. Well over 100 municipalities indicated that they were participating in the program or were intending to use the planning process. About 60 municipalities completed their Vision Statements, and feedback from local officials who completed the Vision 2020 process was very positive. An Implementation Manual was produced and sent to all municipalities.*
- *Municipal Census Processing: Twenty-four municipalities took part in the census processing program. Improvements have been made in the program and upgraded software has been acquired. A review of the current census form was begun.*
- *IMPACT: A rapid rise was noted in activity by municipalities using IMPACT, a planning and finance model which helps in financial forecasting and in the assessment of development impacts.*
- *Goals for Canmore: At the request of the Town of Canmore, the branch researched and completed a draft corporate plan. This is intended to provide Canmore with direction in many areas of municipal responsibility. Subsequently, the town merged the plan and its own Vision Statement into a single document which was delivered to all Canmore households. Later, this will be the basis for discussion at a series of public meetings.*
- *Revitalizing Downtown Alberta - A Self-help Action Kit: A number of municipalities responded to this program for the first time. Also, branch staff and counsellors from Alberta Economic Development and Trade began meeting jointly with local officials working on the program.*
- *Accelerated Growth Community Coordination and Information Committee: Branch staff coordinate the work of this interdepartmental committee which reports to the Social Planning Committee of Cabinet. The committee is devising a blueprint that communities may use in developing checklists to ensure they are looking at all dimensions of rapid growth. To date, the need for a checklist has been identified for communities concerned about socio-economic impacts, for industries evaluating the potential for locating in Alberta, and for provincial government departments that have to deal with socio-economic impacts.*

- *Advisory Committee on Heavy Oil and Oil Sands Development: This committee, in existence since 1983, includes the Assistant Deputy Minister, Planning Services Division, as vice-chairman, and a staff member from the Research and Development Branch as executive director. Also, the branch provides the committee with administrative support. During the year, the committee continued to monitor the impact of heavy oil and oil sands development and its effect on communities.*
- *Orientation Programs: The branch continued to provide support to municipalities and regional planning commissions in conducting orientation seminars. These help planning officials understand their responsibilities as members of development appeal boards or municipal planning commissions, and what the purpose of each organization is.*

Advice and Assistance

- Alberta Planning Board: The branch continued to provide advice and assistance to various agencies, municipalities, and the Alberta Planning Board. For the Board this included:
  - assistance at the management and technical levels with its Land-Related Information Systems Project, and,
  - preparation and presentation to it of regional plan amendments.
- Siting of Livestock Facilities: Staff provided briefing and advice to the Alberta Planning Board, the Minister, and the Public Health Advisory and Appeal Board on minimum distance separation for siting intensive livestock facilities.
- Annexations: Summaries and briefing notes concerning annexations, including the City of Calgary Comprehensive Annexation, were prepared for the Deputy Minister.

Research Projects

- Manufactured Housing Study - Land Use Planning Issues and Guidelines: This study, completed in February 1990, was prepared in cooperation with the Manufactured Housing Association of Alberta and Saskatchewan. It identified key issues surrounding manufactured housing development in Alberta, and outlined planning and design criteria for use by the industry and planning authorities.
- Garden Suites: In cooperation with the Housing Division, a pilot project was conducted to determine the feasibility of garden suites as a housing option for senior citizens. Five demonstration units were installed in Lethbridge and in the County of Parkland. Legislative requirements are now being examined for a province-wide garden suite project.
- Vacant Lot Study: An inventory of land, lots and servicing capacity for urban municipalities of 50,000 population or less was published for the fourth year in a row. The study indicates the amount of existing vacant land and serviced lots, land and lots in the process of being developed, and lands being held for future development.
- Municipal Reserves: An internal review of municipal reserves identified potential issues of both a policy and a technical nature.

Legislation

- Subdivision Amendment Regulation: More than 20 amendments to the Subdivision Regulation were formulated by the branch and approved by the Lieutenant Governor in Council in August 1989 (O.C. 432/89, A.R. 193/89). The primary purpose of the changes was to further the provincial objective of deregulation. Among these changes was introduction of a "fast-track" approval process for certain types of subdivision applications.

Planning Branch

The branch provides regional and municipal land use planning services to municipalities not served by a regional planning commission (RPC). These services include the following:

- Consulting on land use and development, including preparation, maintenance and operation of general municipal plans, area structure plans and land use bylaws. Senior staff, delegated by the Minister, act as subdivision approving authorities for areas of the province for which the branch is responsible.
- Representing the department on statutory bodies, including the Crown Mineral Disposition Review Committee, the Development and Reclamation Review Committee, and the Land Conservation and Reclamation Council.
- Processing most of the interdepartmental referrals related to land use on behalf of the department.

These services are performed by three regional planning units and a Subdivision Unit. Reports follow on their activities during the 1989-90 fiscal year.

Lakeland Unit

The unit provides planning services to 17 urban and rural municipalities and four Metis settlements located in northeastern Alberta. Significant projects included:

Town of Grand Centre - general municipal plan and an area structure plan for a new development area.

Town of St. Paul - general municipal plan.

County of St. Paul, Improvement District No. 18(S), and Municipal District of Bonnyville - lake management plan and background report for the Upper and Lower Mann Lakes.

Improvement District No. 18(S) - major inventory of subdivisions, development and reserve use areas.

Elizabeth Metis Settlement - a major planning initiative.

Parkview Unit

Unit staff provided planning services to 35 urban and rural municipalities and four Metis settlements. Significant projects included:

Town of Athabasca - downtown parking study, outline plan design.

Town of Mundare - development of a community profile and a business community survey.

Town of Tofield - concept design for William Rowan Park (birdhouse park), municipal census, street numbering plan.

Village of Boyle - residential development outline plans, municipal census.

Summer Village of Sunset Beach - application of a new model land use bylaw for summer villages.

County of Beaver - subdivision redevelopment project.

County of Smoky Lake - review and update of land use bylaw, input on economic development strategy.

Peavine Metis Settlement - subdivision design.

Skeleton Lake - area structure plan.

Hamlet of Grassland - commercial/industrial outline plan and future development concept.

The unit also completed a report on research into parking in small towns, and produced technical material for a Forestry Development Impact Assessment in the Athabasca area.

Prairie Unit

Major thrusts for unit staff concerned land use planning and area airports. Significant activity included:

Cities of Edmonton and Calgary - consultations held with other agencies in anticipation of regional airport authorities for these areas.

Towns of Provost, Two Hills, Vegreville, Vermilion, Wainwright - projects developed to promote value of effective land use planning.

Drayton Valley, Lacombe, Pincher Creek, Red Earth and Vegreville - Airport Vicinity Protection Area (AVPA) program introduced for area airports serving these communities.

During the year, the unit began production of six new AVPA regulations and reviewed 11 existing regulations. Also, discussions with Transport Canada resulted in a federal initiative to allow for local input into its certification process for new aerodromes.

Subdivision Unit

Unit staff provided technical processing and circulation of subdivision applications for 85 municipalities not included in the regional planning commissions. Statistics for the 1989-90 fiscal year are shown in Table 16 on page 51.

Planning Support Services Branch

The branch provides cartographic, graphic, municipal engineering, photo lab and administrative support services required in the preparation and production of land use planning work. Reports from its units follow.

Drafting Services

This unit provides cartographic services and graphics required for the preparation of land use planning documents. In total, 135 requests were handled for divisional staff. In addition, 147 requests were handled for other areas of the department. The unit also updated large numbers of compiled maps as well as some municipal base maps.

Activity Highlights

- *In total, 282 requests for illustrative mapping work were handled.*

1989/90 Regional Planning Commission Boundaries

Table 16

Subdivision Unit: Statistics, 1989-90

Applications Received	
Standard	327
Pre-50 (Section 86)	18
Outline plans	3
Subtotal	348
Applications withdrawn	(4)
Applications carried over from previous year	70
Total	414
Decisions	
Approved	60
Conditional approval	246
Refused	29
Deemed refused	11
Subtotal	346
Applications carried forward to next year	68
Total	414
Other Data	
Instruments endorsed	291
Potential lots	505
Alberta Planning Board hearings	30

- Legal compiled maps of municipalities within the division's land use planning jurisdictions were updated. Requests for blue prints of these maps were received from government staff as well as from the public.
- School district maps were updated for Alberta Education; hospital district maps were updated for Alberta Hospitals and Medical Care.
- Several Airport Vicinity Protection Area (AVPA) maps were prepared for AVPA planners.

Engineering Services

This unit assists planning officers with ground control surveys, aerial photography and other municipal engineering services needed to ensure sound decisions in land use planning proposals.

Activity Highlights

- *Air photo requests were met for the towns of Grand Centre, Mannville, and Vegreville, and for the Village of Innisfree.*
- *Engineering consultants' plans for utilities were obtained for the Town of Provost. Plans for the town's underground utilities were transferred to a mylar film for reproduction.*
- *The marina at Cold Lake was inspected and photos taken of the flotation equipment.*
- *Soundings were taken of two potential sites for boat launching at Baptiste Lake.*
- *Control surveys for mapping were completed in Wainwright and vicinity and in Lloydminster and vicinity.*

Photo Lab

This unit provides all types of photo reproduction services and other photo lab work required by the division and the department. In total, 1,106 work requests were handled.

Administrative Support

This unit coordinates the division's day-to-day administrative needs in accounts payable, personnel, finance and budgeting, and overall policies and procedures.

Alberta Assessment Appeal Board

The Board hears and adjudicates appeals on municipal assessments by cities, counties, improvement districts, municipal districts, school districts, towns and villages. The Board also hears appeals concerning equalization assessments and electric power and pipeline assessments.

During the fiscal year, the Board continued its hearings in Calgary and Edmonton; meanwhile, the number of appeals in rural municipalities continued to decline. However, on balance, the Board dealt with about six times as many items as six years ago.

For the first eight months of the year the Board sat with two divisions. But during the last four months, the time required to provide Board Orders limited the Board to one division.

The trend was reported last year that more technical and legal experts were appearing before the Board in the appeals process. This trend continued in the current year. The complex arguments that result, together with requests for postponements, adjournments, and delays, constrained the Board's activity.

During the 1989-90 fiscal year, the Board issued 118 written decisions, compared with 97 in the previous year. Other decisions were given orally and subsequently confirmed in writing.

Appellants and Items Heard

Table 17 on this page summarizes the number of appellants and items heard by the Board during the 1989-90 fiscal year. Table 18 on the next page summarizes the disposition of all appeals heard during the year, by type of municipality.

Board Members

The following individuals were members of the Alberta Assessment Appeal Board at March 31, 1990.

Wallace Daley, Chairman
James Swelin, Secretary Member
John Chaney, Member
Jacob Schmidt, Member
John Frost, Member
J. Neil Gibson, Member
Alfred Berridge, Member

Table 17

Number of Appellants and Items Heard, 1989-90

Municipalities	Appellants	Items
12 cities	1,814	15,987
24 counties	75	520
7 improvement districts	10	23
11 municipal districts	63	161
2 school districts	40	44
32 towns	77	168
8 villages and 5 summer villages	16	49
Totals	2,095	16,952

Table 18

Summary of Disposition of Appeals and Items Heard, 1989-90

	Cities	Counties	Districts			Towns	Villages	Totals
			Improvement	Municipal	School			
Number	12	24	7	11	2	32	**13	
Appellants	1,814	75	10	63	40	77	16	2,095
Land								
Assessments	8,801	249	12	93	42	98	29	9,324
Adjusted	2,426	149	4	32	28	23	7	2,669
Confirmed	642	83	3	40	13	27	11	819
Dismissed	599	8	3	15	–	6	1	632
Cancelled or quashed	140	–	–	–	–	–	–	140
Withdrawn	4,994	9	2	6	1	42	10	5,064
Improvements								
Assessments	7,168	270	11	68	2	68	20	7,607
Adjusted	1,596	53	3	36	2	15	8	1,713
Confirmed	254	60	2	16	–	12	3	347
Dismissed	167	13	2	6	–	5	1	194
Cancelled or quashed	136	5	1	6	–	–	–	148
Withdrawn	5,015	139	3	4	–	36	8	5,205
Business								
Assessments	12	–	–	–	–	–	–	12
Adjusted	6	–	–	–	–	–	–	6
Confirmed	2	–	–	–	–	–	–	2
Dismissed	3	–	–	–	–	–	–	3
Cancelled or quashed	–	–	–	–	–	–	–	–
Withdrawn	1	–	–	–	–	–	–	1
Local Improvements								
Assessments	6	1	–	–	–	2	–	9
Adjusted	2	1	–	–	–	2	–	5
Confirmed	4	–	–	–	–	–	–	4
Dismissed	–	–	–	–	–	–	–	–
Cancelled or quashed	–	–	–	–	–	–	–	–
Withdrawn	–	–	–	–	–	–	–	–
Totals	15,987	520	23	161	44	168	49	16,952

** *Includes 8 villages and 5 summer villages.*

The Board administers the province's program of assessment equalization. The objective is to bring all property value to a common level so that a number of programs, such as education, can be cost-shared equally on the basis of these assessments.

In 1990, the Assessment Equalization Regulation, Alberta Regulation 56/86, was amended to allow owners of recreational properties in summer villages partial relief from supplementary school taxes. The equalized assessment in each summer village, which is used as the basis for determining a municipality's share of local school costs, may now be reduced by as much as 29%. The actual figure depends on the percentage of properties in the village not permanently occupied.

Also in 1990, the amendment to the Assessment Equalization Regulation, Alberta Regulation 56/86, to change the provincial equalization level from 20% to 65% of fair actual value came into force. The amendment had the effect of increasing 1990 equalized assessments by a factor of 3.25. However, because all municipalities, school boards and hospitals are affected unilaterally, there will be no cost-sharing variations other than those that would have normally occurred during the year. To compare the 1990 equalized assessment to last year, divide the 1990 equalized assessment by 3.25.

The change provides municipalities with these benefits:

- A simplified equalized assessment calculation.
- A perception of what its actual (live) assessment would look like if a general assessment were undertaken.
- A means to monitor equity from year to year using comparable components of the actual and equalized assessments.

To compare historic equalized assessment to that for 1990, historic figures must first be increased by a factor of 3.25. Using this formula, the 1990 equalized assessment, which is slightly less than $77 billion, represents an increase of 6.7% over the factored comparable figure for 1989. This increase is due to the following:

- A slight increase in inflated non-farmland market value.
- Moderate construction growth.
- High costs of construction material and labour.

Equalized assessments established for use in 1990 were determined on the basis of municipal property assessment data for 1989. Equalized assessments for 10 years and the annual percentage change from factored comparables are shown in Figure 3 on page 55.

School Foundation Program

A basic level of education is provided through the School Foundation Program, administered by Alberta Education. Although most education funding is borne by the province, each municipality contributes a share. This is determined by applying an annually established mill rate to the municipal equalized assessment. The amount thus requisitioned is collected by municipalities through a tax on non-residential properties, non-family corporate farm lands, and certain vacant residential properties. Funds from the School Foundation Program are then distributed to local school authorities according to the number of students educated in the jurisdiction.

During the year in review, municipalities contributed $175,769,145 to the program fund, based on an equalized assessment of $35.5 billion. This was an increase of 7.9% from the previous year's contribution of $162,878,100. In recognition of the increase in the assessment equalization level, the provincially administered mill rate for the fund was reduced from 15.5 to 5.17.

Equalized assessments for the program for 10 years, and the percentage changes from factored comparables, are shown in Figure 4 on page 56. Total requisitions to the Fund by municipalities over a 10-year period, with annual percentage changes, are shown in Figure 5, also on page 56.

Other Applications of Equalized Assessment

Hospital costs are covered by the province under the Alberta Hospital Plan. However, hospital boards are permitted to requisition municipalities directly for certain capital expenditures that are financed through property taxation at the municipal level. Equalized assessment is used to allocate these additional costs among the municipalities located within the hospital district.

Equalized assessment is also incorporated into formulas used to apportion provincial grants, such as the Municipal Assistance Grant, Transportation Grant, and grants for senior citizens' foundations.

Appeals

Before receiving its official assessment notice, each municipality is given the opportunity to preview its equalized assessment and discuss any contentious issues with the Board. If these cannot be resolved, a municipality can appeal to the Alberta Assessment Appeal Board. In 1990 there was only one such appeal; in 1989 there were four.

Board Members

Members of the Alberta Assessment Equalization Board and the board's secretary are appointed by Order in Council. The following individuals were board members during the reporting period:

Rene Gagne, Chairman

Adrian Waters, Vice-chairman

Steve Bemount, Member, representing Alberta Education

Jean DeChamplain, Member, representing the Alberta Association of Municipal Districts and Counties

Anita Ratchinsky, Member, representing the Alberta Urban Municipalities Association

Figure 3

Total Equalized Assessments, 1981-1990

Percentage increase or decrease is shown for each year

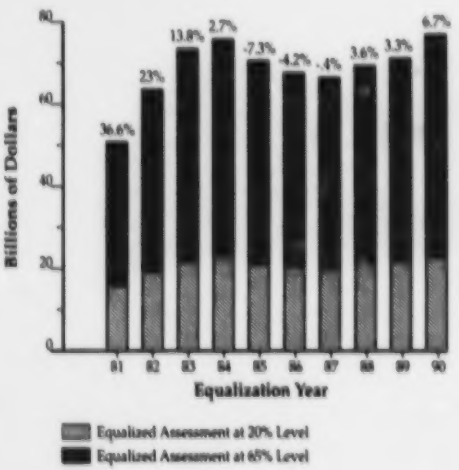


Figure 4

School Foundation Program Fund
Equalized Assessments, 1981-1990

Percentage increase or decrease is shown for each year

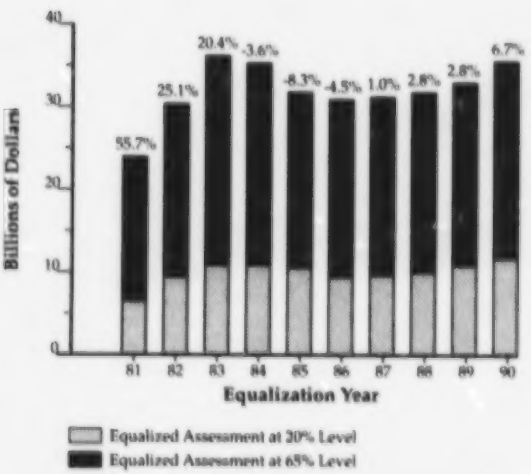
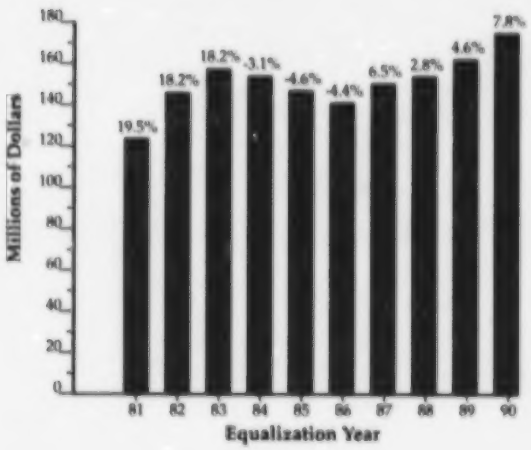


Figure 5

School Foundation Program Fund
Requisitions, 1981-1990

Percentage increase or decrease is shown for each year



Alberta Planning Board

The Board's mandate is to develop and administer land use policies and procedures for the subdivision of land in the province.

In this mandate, the Board has two major roles. First, it is a quasi-judicial body which hears:

- appeals against the decisions of approving authorities on applications for the subdivision of land,
- appeals on amendments to regional plans, initiated by municipalities, which have been refused by regional planning commissions,
- disputes between municipalities, and,
- cases in which land use documents do not conform to regional plans.

Second, the Board has an administrative role in that it administers the Planning Act, the New Towns Act, the Subdivision Regulation, and related Acts and Regulations.

The Board's activities during the reporting period were slightly below those of the previous year. For example, as is shown in Figure 6 on page 60, the number of subdivision appeals was 397 against 449 in 1988-89. The figure shows also that days spent in hearings were less, 60 against 65; and that Board Orders issued were fewer than in 1988-89, 293 against 358.

Applications for exemption to section 78 of the Planning Act totalled 58, against 63 in the previous year; there were 57 plan cancellations against 56; and 236 applications for waivers of the Subdivision Regulation against 256.

During the year, these three municipalities were designated as their own subdivision-approving authorities: the County of Red Deer, the City of Lloydminster, and the Town of Canmore. The number of municipal subdivision-approving authorities in the province now totals 28.

Reports follow on the activities, in the 1989-90 fiscal year, of the Board and its committees.

Board Meetings and Activities

The Board held 47 general and committee meetings. This figure does not include meetings of the Steering Committee on the Land-Related Information Systems Project and of the Technical Advisory Committee. The 47 meetings included:

- 12 general and 2 special Board meetings
- 5 concerned with the planning and program of the Annual Planning Conference
- 3 with the Public Health and Advisory and Appeal Board on the rewrite of the department's Intensified Livestock and Poultry Regulation
- 3 with municipal councils on Board decisions on appeals
- 1 to consider an amendment to an Airport Vicinity Protection Area Regulation

The Board participated in municipal and other events throughout the province, including meetings held by these organizations:

- Regional planning commissions
- Alberta Association of Municipal Districts and Counties
- Alberta Urban Municipalities Association
- Improvement Districts Association of Alberta
- Community Planning Association of Alberta
- Alberta Institute of the Canadian Institute of Planners
- Alberta Association of Development Officers

Board and staff members attended programs held by the Council of Canada Administrative Tribunals. The Board's Annual Planning Conference, held in Jasper Park Lodge on April 2-6, 1990, drew more delegates than any previous planning conference.

Land-Related Information Systems Project

Two significant developments occurred in this project which is reviewing costs and actions applicable to the use of computers in handling land-related data.

First, momentum increased when Alberta Transportation and Utilities joined other government departments and agencies on the steering committee and also made a funding commitment.

Second, a contract was let to provide hardware and software for the pilot project. The pilot is designed to test the application of data base information to practical situations which would be experienced by a municipality and regional planning commission.

Meanwhile, the original participants in the project have made a commitment for funding in the next fiscal year at the same level as in 1989-90.

Technical Advisory Committee

This committee met on an as-required basis to advise the Board on proposed expenditures by regional planning commissions on computer hardware and software.

Appeals Committee

During the reporting period, this committee dealt with these items:

- 397 subdivision appeals
- 5 regional plan amendment appeals
- 2 intermunicipal disputes
- 3 referrals for non-conformity with regional plans.

The committee held eight subdivision review hearings and 11 meetings on applications for the extension of subdivision approvals. It heard 314 of the 397 subdivision appeals in 60 days of hearings.

In total, 658 Board Orders were issued concerning the various appeals, referrals, and technical applications; 58 appeals were abandoned.

Research and Planning Committee

This committee met eight times and dealt with these items:

- 526 applications for the extension of subdivision approvals
- 58 applications for exemption from section 78 of the Planning Act to allow more than one residence on parcels of land less than 80 acres in size
- 57 plan cancellations
- 236 applications for the waiver of various requirements of the Subdivision Regulation.

Several amendments to regional plans were processed, as well as amendments to the general municipal plan and the land use by-law of the New Town of Rainbow Lake pursuant to the New Towns Act.

Finance Committee

This committee met 12 times, during which it reviewed the operating budgets of the 10 regional planning commissions. Also, it determined the allocation of funds from the Board for the operation of these commissions and for special projects undertaken by the commissions and by municipalities.

The Board, through the Finance Committee, approved the establishment of computer equipment reserve funds by the commissions, and it allocated $100,000 to enable them to acquire hardware, software, and training.

The Board also proposed that the mill rates for municipal requisitions for 1990 be increased by 5%, with an equal increased grant from the province. This proposal was agreed to by a large majority of the municipalities and by all the regional planning commissions. An increase was approved in each of the mill rates and in the provincial grant to the Alberta Planning Fund.

Figure 7 on the next page provides a five-year comparison of the sources of income of the Alberta Planning Fund; Figure 8 on page 61 provides a five-year comparison of contributions from the Fund to the operating costs of the 10 regional planning commissions. These figures do not include contributions for special projects or for the purchase of computer equipment.

The audited financial statements of the Alberta Planning Fund at March 31, 1990, are printed on pages 62-64.

Board Members

At March 31, 1990, the Board had 18 members, as shown in this list. Of these, eight were appointed during the year; each is identified by an asterisk (*).

Name	Position	Designation
A.R. Grover	Chairman	Deputy Minister Alberta Municipal Affairs
D.H. Cole	Vice-chairman	Non-public
L.A. Kluthe	Vice-chairman	Non-public
J.G. Thomas	Vice-chairman	Assistant Deputy Minister Alberta Municipal Affairs
R.R. Cundy*	Member	Non-public
W.L. Doyle*	Member	Non-public
J.K. Fenton*	Member	Alberta Agriculture
A.E. Foss*	Member	Non-public
J.M. Lewis*	Member	Non-public
J.K. Maitland	Member	Non-public
D.C. McKay	Member	Non-public
L. McKibben*	Member	Alberta Environment
C.D. Morgan	Member	Alberta Economic Development and Trade
K.G. Newman	Member	Non-public
P. Polischuk	Member	Non-public
W.W. Warren*	Member	Alberta Tourism
E.H. Wright*	Member	Non-public
A.J. Suelzle	Member	Director, Alberta Planning Board

Figure 6

Subdivision Appeals

Five-year comparison of Board Orders issued, number of appeals, and hearing days

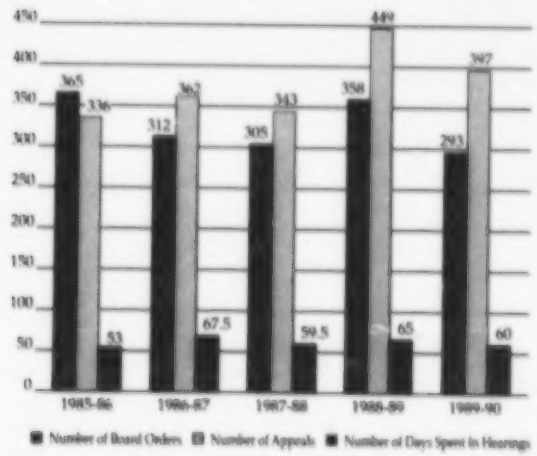


Figure 7

Alberta Planning Fund

Five-year comparison of income sources

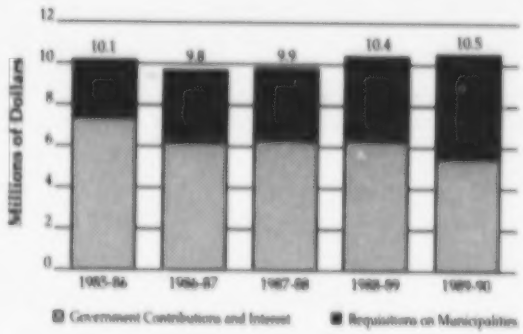
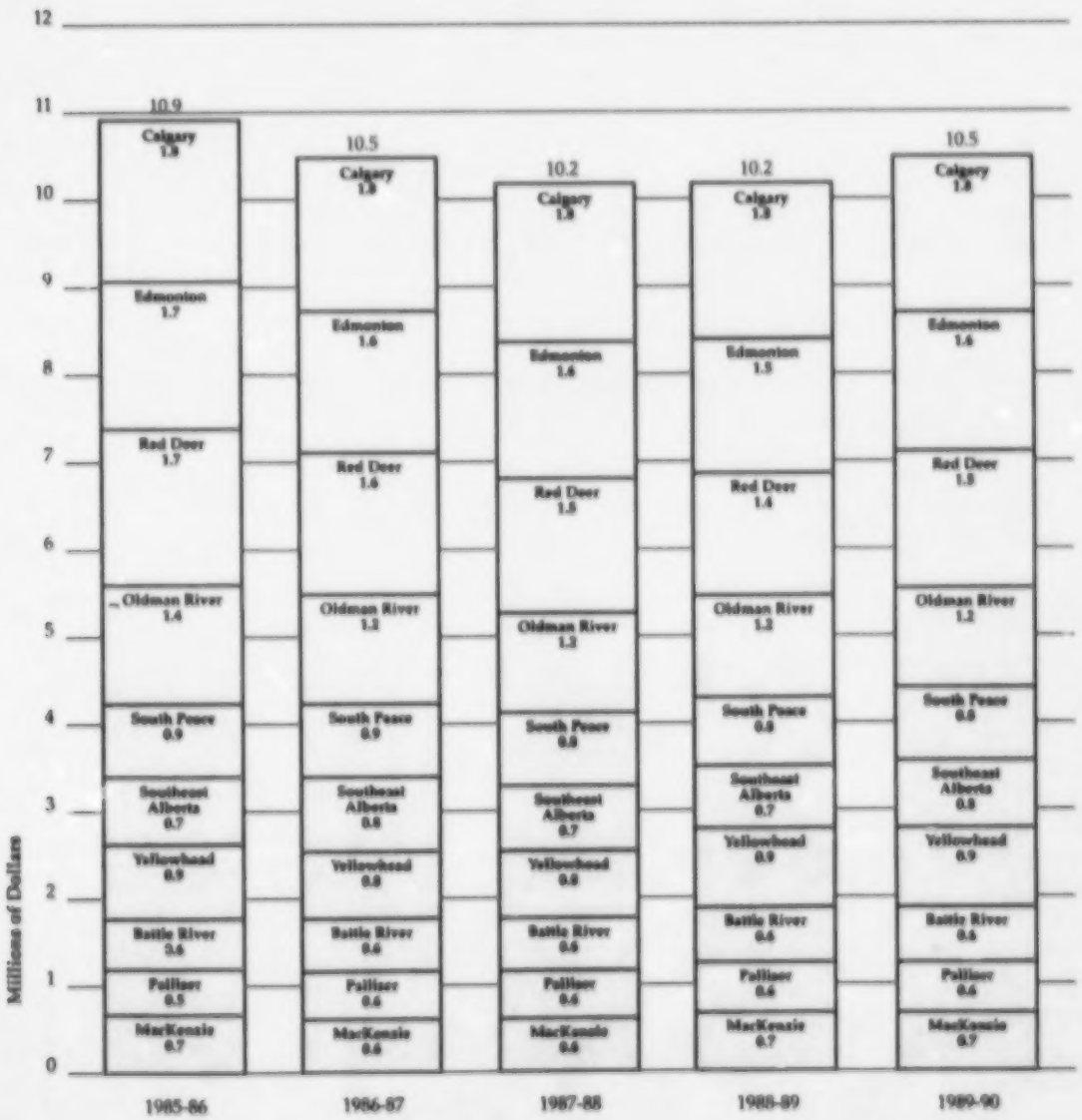


Figure 8

Regional Planning Commissions

Contributions to the commissions' operating costs made by the Alberta Planning Fund



ALBERTA LEGISLATURE

OFFICE OF THE AUDITOR GENERAL

AUDITOR'S REPORT

To the Members of the Alberta Planning Board

I have examined the balance sheet of the Alberta Planning Fund as at March 31, 1990 and the statement of revenue, expenditure and fund equity for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Donald D. Salmon

FCA
Auditor General

Edmonton, Alberta
June 12, 1990

Alberta Planning Fund Balance Sheet, March 31, 1990

	1990	1989
ASSETS		
Cash	$1,253,340	$1,749,953
Requisitions receivable	33,055	3,819
	$1,286,395	$1,753,772
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	$61,221	$35,636
Fund equity	1,225,174	1,718,136
	$1,286,395	$1,753,772

The accompanying notes are part of these financial statements

Alberta Planning Fund Statement of Revenue, Expenditure and Fund Equity For The Year Ended March 31, 1990

	1990	1989
Revenue:		
Contributions from the Province of Alberta, Department of Municipal Affairs	$ 5,813,789	$ 5,813,789
Requisitions from municipalities	4,408,669	4,338,438
Interest	260,728	243,265
Other	1,415	
	10,484,601	10,395,492
Expenditure:		
Contributions to Regional Planning Commissions:		
Operating costs (Note 3)	10,932,563	10,065,018
Special projects	15,000	13,776
Special planning studies (Note 4)	30,000	20,000
	10,977,563	10,098,794
Excess (deficiency) of revenue over expenditure	(492,962)	296,698
Fund equity at beginning of year	1,718,136	1,421,438
Fund equity at end of year	$1,225,174	$1,718,136

Alberta Planning Fund Notes To The Financial Statements March 31, 1990

Note 1 **Authority**

The Alberta Planning Fund operates under the authority of the Planning Act, Chapter P-9, Revised Statutes of Alberta 1980, as amended.

Note 2 **Significant Accounting Policies and Reporting Practices**

Contributions to Regional Planning Commissions

Contributions to operating costs are recorded as expenditures of the fiscal year in which they are paid.

Changes in Financial Position

A statement of changes in financial position is not provided as disclosure in these financial statements is considered to be adequate.

Note 3 Contributions to Regional Planning Commissions

Contributions for operating costs were authorized as follows:

	1990	1989
Basic	$10,789,830	$ 9,506,071
Supplementary	105,500	458,654
	10,895,330	9,964,725
Contribution towards office automation expenditure	37,233	100,293
	$10,932,563	$10,065,018

Note 4 Contributions to Special Planning Studies

Contributions to special planning studies conducted by the Alberta Research Council include a contribution towards the development cost of the land information system.

Note 5 Administration Expenditures

Salaries, accommodation and other overhead costs incurred in the administration of the Fund have been borne by the General Revenue Fund and are not reflected in these financial statements.

Note 6 Approval of Financial Statements

These financial statements have been approved by management.

Special Areas Board

The Special Areas is a rural municipal area administered by a three-member Board appointed by the Lieutenant Governor in Council. The Board operates under the authority of the Special Areas Act, and performs duties assigned to it by the Minister of Municipal Affairs. The Special Areas cover about 5.2 million acres in southeastern Alberta. Their location is shown on the map on page 34.

The Special Areas is a unique feature in Alberta, originating from the breakdown of municipal districts which could not function in the Depression and the drought of the 1930s. The objective of the Special Areas Act, in 1938, was to manage the overworked, damaged land in such a way that residents would be able to make a living from it and, in turn, be able to support services.

This report covers the fiscal year ending December 31, 1989. Financial statements for that year can be found immediately after the text of this report.

Agricultural Conditions

Agricultural conditions in 1989 were characterized by continued drought. The farming community experienced below-average production and prices, although timely rainfall produced good crops in some districts. Grasslands were severely depleted due to the lack of summer rain. For the second consecutive year, ranchers had either to sell their cattle or move them to pastures in northern and western Alberta. Cattle also had to be removed prematurely from the community pastures to prevent serious damage to the sparse grass cover. To help balance the economic hardship, the Special Areas Board reduced rental rates on grazing leases by 20%.

Water Supply

A significant amount of time and energy was dedicated to the Special Areas Water Supply Project designed to transfer water from the Red Deer River into the Berry and Sounding creeks. The objective is to provide an assured supply of water in these creeks and offset the effects of drought in a large part of the area. An application to construct a hydro-electric power generator at the Dickson Dam was denied by the Alberta Energy Resources Conservation Board. Alternatives are now being pursued.

A project, valued at almost $370,000, was undertaken to supply treated water to the hamlets located along the Henry Kroeger Water Pipeline. Self-regulated storage tanks were installed and truck-fill stations constructed in six hamlets.

All told, more than $800,000 was invested in water supply and distribution initiatives during the year.

Recreation Areas

The Board began the first development phase of a water-based recreation area which will use the 1,300-acre cooling pond adjacent to the Sheerness Generating Station, located 25 km south of Hanna.

The site, named Prairie Oasis Park, will provide opportunities for swimming, water skiing and boating within the Special Areas. Features will include facilities for launching and docking boats, a beach front, treed areas, as well as picnic and overnight camping areas.

An application was made to Alberta Recreation and Parks to have the park designated as a Municipal Recreation/Tourism Area so that it will qualify for grant monies to assist future development.

Road Construction

The year's $12 million program of construction and maintenance of roads was a major expenditure; it represented 74% of the Board's total operating expenditures. The road program returned to a normal level after above-average funding by the province in 1988.

During the year, construction of new and gravelled roads totalled 100 and 530 miles respectively, down from 121 and 712 in 1988. However, 75 miles of roads were oiled, up from 19 in 1988. Looking ahead, in conjunction with Alberta Transportation and Utilities, priorities were established for paving secondary highways.

Board Members

The following three individuals, appointed by the Lieutenant Governor in Council, comprise the Special Areas Board:

Abner G. Grover, Hanna, Chairman

James D. Andrew, Youngstown, Member

John D. Sumner, Consort, Member

Advisory Council Members

The following individuals are members of the Advisory Council, which is elected every three years. The numbers of the subdivisions which the council members represent are shown in brackets.

Special Area No. 2

Robert Wiens, Hanna (1); Neil Dornan, Finnegan (2); Dorothy Solberg, Sunnynook (3); Doug Williams, Cessford (4); Dick Pahl, Hanna (5); Gerald Kornelson, Empress (7); Tom Osadczuk, Jenner (8).

Special Area No. 3

Brian Darbel, Sibbald (4); James D. Andrew, Youngstown (5); Ben Lockhart, Youngstown (6).

Special Area No. 4

John D. Sumner, Consort (1); Gavin Simkin, Consort (2); Robert Worobo, Consort (3).

ALBERTA LEGISLATURE

OFFICE OF THE AUDITOR GENERAL

AUDITOR'S REPORT

To the Minister of Municipal Affairs

I have examined the balance sheet of the Special Areas Trust Account as at December 31, 1989 and the statements of revenue, expenditure and accumulated surplus, reserves, equity in fixed assets and changes in cash resources for the year then ended. My examination was made in accordance with generally accepted standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Trust Account as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting, as described in Note 2 to the financial statements, applied on a basis consistent with that of the preceding year.

Donald D. Salmon

FCA
Auditor General

Edmonton, Alberta
March 20, 1990

Special Areas Trust Account Balance Sheet
As At December 31, 1989

	1989	1988
ASSETS		
Current:		
Cash (Note 3)	$22,101,545	$16,105,208
Accounts receivable, net (Note 4)	2,985,432	2,813,951
Inventories (Note 2)	1,658,957	1,519,993
Due from Province of Alberta, net (Note 5)	-	809,414
Taxes and grants in lieu receivable	308,368	258,861
Prepaid expenses	15,926	16,048
	27,070,228	21,523,475
Non-current:		
Accounts receivable, net (Note 4)	8,845,479	10,696,255
Investments (Notes 2 and 6)	2,932,208	4,831,620
Fixed, at cost (Notes 2 and 7)	19,641,894	17,829,476
	$58,489,809	**$54,880,826**
LIABILITIES AND TRUST EQUITY		
Current:		
Accounts payable and accruals	$1,173,365	$641,215
Deferred revenue	99,221	131,618
Due to Province of Alberta, net (Note 5)	724,755	-
	1,997,341	772,833
Trust Equity:		
Accumulated surplus	4,597,974	5,011,324
Reserves (Note 2)	32,252,600	31,267,193
Fixed assets (Note 2)	19,641,894	17,829,476
	56,492,468	54,107,993
	$58,489,809	**$54,880,826**

The accompanying notes are part of these financial statements.

Special Areas Trust Account Statement Of Revenue, Expenditure And Accumulated Surplus For The Year Ended December 31, 1989

	1989	1988
REVENUE		
General Municipal:		
Taxation: Power and pipeline	$ 8,261,501	$ 7,884,435
Real property	4,010,793	3,497,647
Grazing	869,494	795,330
Provincial grants in lieu	108,466	99,956
Penalties and costs on taxes	47,925	54,114
Mobile home license fees	2,155	2,199
	13,300,334	12,113,681
Less: Expended by transfers:		
Supplementary school requisitions	5,581,098	4,618,404
Provincial school foundation	3,002,339	2,821,919
Seniors Foundation requisitions	403,225	282,069
Alberta Planning Fund requisitions	69,647	89,903
Industrial tax transfers	63,240	55,320
Hospital requisitions	85,709	54,980
	9,205,258	7,902,595
Net taxes for municipal purposes	4,095,076	4,211,086
Provincial grants (Note 8)	4,133,186	5,078,563
Leases	3,480,796	3,808,051
Interest	3,167,660	2,620,642
Tax recovery land sales (Note 9)	1,093,837	1,199,487
Proceeds on disposal of fixed assets	17,400	65,701
Other	901,001	762,534
TOTAL REVENUE, CARRIED FORWARD	$16,888,956	$17,748,064

Special Areas Trust Account Statement Of Revenue, Expenditure And Accumulated Surplus (Continued) For The Year Ended December 31, 1989

	1989	1988
TOTAL REVENUE, BROUGHT FORWARD	$16,888,956	$17,746,064
EXPENDITURE		
General Municipal:		
Transportation services	12,045,504	11,810,122
Administrative services	1,782,044	1,684,840
Agriculture and community pasture services	805,867	1,010,836
Recreational, cultural and educational services	441,895	263,204
Water and sanitation services	1,034,352	220,349
Protective services	207,237	192,300
TOTAL EXPENDITURE (Note 10)	16,316,899	14,981,651
Excess of revenue over expenditure	572,057	2,764,413
Accumulated surplus at beginning of year	5,011,324	3,394,423
	5,583,381	6,158,836
Less: Transfers to capital reserves:		
Tax recovery land sales (net)	985,407	1,118,103
Transfer to operating reserve:		
Non-municipal surplus	-	29,409
	985,407	1,147,512
Accumulated surplus at end of year	$ 4,597,974	$ 5,011,324
Increase (decrease) in accumulated surplus compared to the previous year	$ (413,350)	$ 1,341,987

Special Areas Trust Account Statement Of Reserves For The Year Ended December 31, 1989

	1989	1988
CAPITAL RESERVES:		
Tax recovery land sales reserve:		
Balance at beginning of year	$31,236,675	$30,118,572
Add: Transfer from surplus:		
Tax recovery land sales, net	985,407	1,118,103
Balance at end of year	32,222,082	31,236,675
Public reserve:		
Balance at beginning and end of year	1,109	1,109
Total capital reserves	32,223,191	31,237,784
OPERATING RESERVE:		
Balance at beginning of year	29,409	-
Transfer from surplus:		
Non-municipal surplus	-	29,409
Balance at end of year	29,409	29,409
TOTAL RESERVES	$32,252,600	$31,267,193

Special Areas Trust Account Statement of Equity In Fixed Assets For The Year Ended December 31, 1989

	1989	1988
Balance at beginning of year	$17,829,476	$16,617,477
Add: Purchase of fixed assets:		
Transportation services	1,476,772	1,429,775
Administrative services	68,290	60,747
Protective services	850	15,723
Agriculture and community pasture services	48,071	13,294
Environmental development	417,038	
	2,011,021	1,519,539
	19,840,497	18,137,016
Less: Disposal of fixed assets	198,603	307,540
Balance at end of year	$19,641,894	$17,829,476

Special Areas Trust Account Statement Of Changes In Cash Resources For The Year Ended December 31, 1989

	1989	1988
SOURCES OF CASH:		
Excess of revenue over expenditure	$ 572,057	$ 2,784,413
Amortization of investment discounts	(194,228)	(118,306)
Adjustment for recreation advances at beginning of year	-	(275,834)
Provided by operations	377,829	2,370,273
Proceeds from maturity of investments	6,000,000	-
Increase in current liabilities	1,224,508	-
Decrease in non-cash current assets	449,584	-
Decrease in non-current accounts receivable	1,850,776	1,982,141
	9,902,697	4,352,414
USES OF CASH:		
Purchase of investments	3,906,360	4,713,164
Increase in non-cash current assets	-	992,285
Decrease in current liabilities	-	434,457
	3,906,360	6,139,906
Increase (decrease) in cash	5,996,337	(1,787,492)
Cash at beginning of year	16,105,208	17,892,700
Cash at end of year	**$22,101,545**	**$16,105,208**

Special Areas Trust Account Notes To The Financial Statements December 31, 1989

Note 1 Authority

The Special Areas Trust Account operates under the authority of the Special Areas Act, Chapter S-20, Revised Statutes of Alberta 1980, as amended.

Note 1 Significant Accounting Policies

(i) These financial statements have been prepared in accordance with generally accepted accounting principles except that:

(a) Fixed Assets

Fixed asset acquisitions are included as expenditure in the statement of revenue, expenditure and accumulated surplus. For information purposes, fixed assets having an original cost greater than $2,500 are shown on the balance sheet at cost with the offsetting credit to equity in fixed assets. No provision is made for depreciation of fixed assets.

(b) Revenues

Revenues from crop shares and Wheat Board adjustments are recorded on a cash basis.

(c) Tax Recovery Land

Tax recovery land is not valued for balance sheet purposes. Approximately 1.421 million acres of tax recovery land remains unsold as at December 31, 1989 (1988 - 1.441 million acres).

ii) Other significant accounting policies are as follows:

(a) Investments

Investments are valued at cost net of applicable amortization of discount or premium using the straight-line method over the period to maturity.

(b) Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined as follows:

	1989	1988
Parts and other, average cost	$ 841,350	$ 815,339
Gravel, first-in-first-out	802,702	687,183
Fuel, first-in-first-out	14,905	17,471
	$1,658,957	$1,519,993

(c) Capital Reserves

The capital reserves have been established for the funding of specific expenditure as authorized by the Minister of Municipal Affairs.

Note 3

Cash

Cash includes a deposit of $21,553,763 (1988 $15,574,097) in the Consolidated Cash Investment Trust Fund of the Province of Alberta.

Note 4 Accounts Receivable. Net Accounts receivable, net of applicable allowances for doubtful accounts, are comprised of the following:

	1989	1988
Current:		
Tax recovery:		
Land sales	$2,087,566	$1,948,953
Accrued interest	470,578	503,858
	2,558,144	2,452,811
Leases	201,228	175,656
Miscellaneous	226,060	185,482
	$2,985,432	**$ 2,813,951**
Non-current:		
Tax recovery:		
Land sales	$8,841,486	$10,691,799
Miscellaneous	3,993	4,456
	$8,845,479	**$10,696,255**

Title to tax recovery land sold is not transferred from the Minister of Municipal Affairs to the purchaser until all purchase monies have been paid. Land may be sold for immediate payment or by instalments over a period not exceeding ten years. If a purchaser defaults in payment, the agreement for sale may be declared null and void and all monies received may be retained by the Trust Account as liquidated damages.

Note 5 Due to (from) Province of Alberta, net

The net amount due to (from) the Province of Alberta is comprised of the following:

	1989	1988
Due to the Province of Alberta:		
Salaries	$529,436	$ 507,879
Administration charges	72,843	99,346
Other	368,045	89,671
	970,324	696,896
Due from the Province of Alberta:		
Grants	166,830	1,472,364
Other	78,739	33,946
	245,569	1,506,310
	$724,755	**$ (809,414)**

Note 6 Investments

	1989	1988
Alberta Municipal Financing Corporation shares	$ 150	$ 150
Bonds	2,932,058	4,831,470
	$2,932,208	$4,831,620

Bond comprise:

	BOOK VALUE	MARKET VALUE	VALUE AT MATURITY
Government of Canada	$ 920,434	$ 885,623	$ 1,012,500
Province of Alberta	997,632	965,584	1,000,000
Province of Manitoba	1,013,992	990,000	1,000,000
	$2,932,058	$ 2,841,207	$ 3,012,500

Note 7 Fixed Assets

Fixed assets, at cost, are comprised of the following:

	1989	1988
Land	$ 225,122	$ 199,361
Buildings	4,254,467	4,204,394
Vehicle and mobile equipment	13,482,474	12,375,681
Machinery and equipment	1,102,979	958,516
Water supply equipment	417,038	-
Office equipment	159,814	91,524
	$19,641,894	$17,829,476

Note 8 Provincial Grants

Provincial grant revenue is comprised of the following:

	1989	1988
Transportation and Utilities	$ 2,459,615	$ 3,521,636
Municipal Affairs	1,419,657	1,402,708
Agriculture	218,075	116,407
Environment	-	2,284
Recreation and Parks	32,468	29,776
Career Development and Employment	3,371	5,752
	$ 4,133,186	$ 5,078,563

Note 9 Tax Recovery Land Sales Revenue

Tax recovery land sales revenue is comprised of the following

	1989	1988
Land sales - agreements	$ 746,690	$ 901,232
Land sales - full payments	229,920	208,920
Mineral surface lease sales	117,037	89,335
	$1,093,637	$1,199,487

Note 10 Total Expenditure

Total expenditure for the year is analyzed by object of expenditure as follows

	1989	1988
Supplies and services		
Direct	$ 7,728,972	$ 7,489,194
Alberta government departments	938,210	788,629
Manpower	5,125,780	4,854,360
Fixed assets	2,011,021	1,519,539
Grants	512,916	329,929
	$16,316,899	$14,981,651

Note 11 Comparative Figures

The 1988 figures have been reclassified where necessary to conform to 1989 presentation

Note 12 Approval of Financial Statements

These financial statements have been approved by management